

No. EGCO 110/169

March 16, 2012

Subject: Notice of the Shareholders' Annual General Meeting No.1/2012

To: Shareholders of the Electricity Generating Public Company Limited

- Attachments:
1. Minutes of the Shareholders' Annual General Meeting No. 1/2011
  2. Annual Report 2011 (CD ROM)
  3. Summarized version of Annual Report
  4. Information on tax credit on dividend for natural person shareholder, according to the Revenue Code, Section 47 bis
  5. Profiles of nominated directors and definition of Independent Director
  6. Proxy form A, B, C (form B is recommended)
  7. Conditions and procedures for registration, proxy and voting
  8. Registration Form (to bring along for registration process)
  9. Company's Articles of Association concerning Shareholders' Meeting
  10. Request Form for Annual Report, full version in hard copy
  11. Feedback Form on Annual Report
  12. Profiles of Volunteer Proxies
  13. Board Committees' scope of duties and responsibilities
  14. Shareholders' Meeting location map
  15. Shareholder's Guide

Notice is hereby given that the Company's Board of Directors unanimously resolved to call the Shareholders' Annual General Meeting No. 1/2012 on April 25, 2012 at 2.00 p.m. at Vibhavadee Ballroom, Centara Grand at Central Plaza Ladprao Bangkok Hotel, No.1695, Phaholyothin Road, Chatuchak, Bangkok to consider the following agendas:

**Agenda 1 To Consider and Approve the Minutes of the Shareholders' Annual General Meeting No. 1/2011**

**General Information:** The Shareholders' Annual General Meeting No. 1/2011 was convened on April 21, 2011. The minutes of the meeting were attached herewith as Attachment #1, and were publicized on the Company website ([www.egco.com](http://www.egco.com)) on May 4, 2011.

**Board of Directors' Opinion:** The minutes of meeting were accurate and complete. The shareholders' meeting should approve the minutes of the Shareholders' Annual General Meeting No. 1/2011.

**Voting Requirement:** Resolution shall be adopted by the majority votes of shareholders present and voting.

**Agenda 2 To Acknowledge the Company's Annual Report 2011 and to Acknowledge the Interim Dividend Payment**

**General Information** The Company's Annual Report 2011 was prepared for the shareholders' acknowledgement along with this Notice as Attachment # 2. The Company's performance for year 2011 are summarized as follows.

As of December 31, 2011, EGCO Group's portfolio comprises 15 operating plants, accounting for the total installed capacity of 4,419.97 MW , an increase of 58.95 MW from 2010.

For operating results, the Company gained the net profit of 4,990 million baht and owned the total assets worth 72,956 million baht. If not taking into account the exchange rate impact, the Company's net profit would have been 5,301 million baht, a decrease of 963 million baht from the previous year.

The Company's increase of revenue together with the decrease of major expenses totaled 933 million baht due to the increase of stakes in Nam Theun 2 Power Company Limited and Quezon Power (Philippines) Limited Company (Quezon) while the expense decrease was mainly from the decrease of subsidiaries' maintenance expenses and interest expenses.

Nevertheless, the revenue from available payment of Rayong Power Plant, Khanom Power Plant and other 2 joint venture companies namely BLCP Power Company Limited and Gulf Power Generation Company Limited decreased by 1,178 million baht, as structured in the Power Purchase Agreements.

In addition, the Company's expenses increased by another 748 million baht due to the extraordinary items. As Quezon implemented the refinancing program to appreciate the lower interest rate from 8% to 5% and enabling the payment of special dividend, it had to record the prepayment fees as well as the withholding tax from such special dividend payment. Conal Holdings Corporation's change in the functional currency according to the accounting standards also affected the Company's profit. If not taking into account the impact caused by the above extraordinary items, EGCO Group's net profit before FX would have been 6,049 million baht, a decrease of 215 million baht from 2010.

The summarized version of the Annual Report was prepared for shareholders' information as Attachment # 3. Shareholders requiring a full version of the Annual Report in hard copy can fill the form in Attachment #10 and send it to the Corporate Secretary through facsimile number 0 2955 0956 ext. 5022-6 or contact 0 2998 5022-6.

The Company would also report on the interim dividend payment. According to the Company's Articles of Association, article 41, the Board of Directors may pay interim dividend if the profit is adequate for doing so and shall report the same to the shareholders at the next meeting. Considering the Company's operating results and cash flows, the Board of Directors in the meeting no. 5/2011 on August 22, 2011 approved the 2011 interim dividend payment from the first half-year operation at 2.50 baht per share or 1,316 million baht in total on September 16, 2011.

**Board of Directors' Opinion:** The Company's overall performance was satisfactory and the shareholders' meeting should acknowledge the Company's Annual Report 2011 and the payment of interim dividend from the first half-year operation of 2.50 baht per share.

**Voting Requirement:** This agenda does not require shareholders' voting

**Agenda 3 To Consider and Approve the Statements of Financial Position and Income Statements ended on December 31, 2011**

**General Information:** The Statements of Financial Position and Income Statements ended on December 31, 2011 were endorsed by the Audit Committee and reviewed and audited by the Ms. Nangnoi Charoenthaveesub, Company's auditor. Details are presented in the section "Consolidated Financial Statements" of the Annual Report, hereby submitted together with the Notice as Attachment # 3. The summary is as follows:

Description	Consolidated (baht)	Company (baht)
Total Assets	72,956,072,481	64,893,354,188
Total Liabilities	14,423,020,314	12,111,878,793
Total Revenues and share of profit (loss) from Subsidiaries and Joint Venture Entities	13,309,838,262	8,151,060,595
Net Profit of Equity holders of the Company	4,989,534,456	4,894,490,943
Earnings per Share	9.48	9.30

**Board of Directors' Opinion:** The shareholders' meeting should approve the Statements of Financial Position and Income Statements ended on December 31, 2011 which were endorsed by the Audit Committee and audited by the Auditor.

**Voting Requirement:** Resolution shall be adopted by the majority votes of shareholders present and voting.

**Agenda 4 To Consider and Approve the Appropriation of Net Profit and the Payment of Dividend**

**General Information:** The Public Limited Companies Act, Section 116 and Article 42 of the Company's Articles of Association stated that the Company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward (if any) to a reserve fund until this fund attains an amount not less than 10% of the registered capital.

The Company has a policy to pay dividend either at approximately 40% of the consolidated net profit after taxation or at the steady incremental rate except in the circumstance where investments are required for business expansion or such dividend payment would significantly impact the normal operation of the Company. In addition, the dividend payment shall not exceed the retained earnings of the Company.

The Company's reserve fund has reached the amount of 530 million baht which is 10% of the registered capital as required by law.

Considering the satisfactory operating results that the Company have net profit with adequate cash flows to pay dividend and to fund the investment projects, it is proposed that the dividend for the 2011 operating year should be paid to shareholders at 5.25 baht per share accounting to 55% of the net profit, or 2,764 million baht in total which is the same amount as the previous year. As the interim dividend had been declared totaling 1,316 million baht for the first half-year operation, the remaining yearend dividend will be paid at 2.75 baht per share or 1,448 million baht in total on May 4, 2012.

The comparison of the dividend payment between 2010 and 2011 is as follows:

Description	2011		2010	
	Net Profit (million baht)	4,990		6,792
Number of shares	526,465,000		526,465,000	
Earnings per share (baht)	9.48		12.90	
Dividend per share (baht)	5.25		5.25	
	2.50	2.75	2.50	2.75
Total dividend amount (million baht)	2,764		2,764	
Dividend Payout Ratio (%)	55		41	

The information on tax credit on dividend for natural person shareholder according to the Revenue Code, section 47 bis is as attached in Attachment # 4.

**Board of Directors' Opinion:** The shareholders' meeting should approve the payment of the 2011 yearend dividend at 2.75 baht per share which will be paid on May 4, 2012.

**Voting Requirement:** Resolution shall be adopted by the majority votes of shareholders present and voting.

#### **Agenda 5 To Consider and Appoint the Auditors and to Determine the Audit Fee**

**General Information:** Section 120 of the Public Company Act and Article 29 of the Company's Articles of Association stated that the Company should appoint the auditor and determine the audit fee at the Shareholders' Annual General Meeting. The Securities and Exchange Commission's notification on October 12, 2005 stated that the listed companies should rotate their auditors every five years while the appointed auditors could come from the same audit firms as the former auditors.

The Board of Directors with the endorsement of the Audit Committee was of the opinion that auditors from of PricewaterhouseCoopers ABAS Limited ("PwC") should be appointed as Company's auditors for 2012 for the reasons of the efficient and satisfactory performance Hereunder are the name list of auditors, anyone of whom to be authorized to conduct the audit and express the opinions on the financial statements of the Company.

1. Mr. Somchai Jinnovart, Certified Public Accountant (Thailand) No. 3271 or,
2. Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977 or,
3. Mr. Chaisiri Ruangritchai, Certified Public Accountat (Thailand) No.4526 or,
4. Ms. Amornrat Pearmpoonvatanasuk, Certified Public Accountant (Thailand) No. 4599

None of the proposed auditors has been the Company's statutory auditor.

PwC and the proposed auditors have neither interest nor relationship with the Company, its subsidiaries, Management, major shareholders, or other related persons that may deprive their independence in discharging their duties. In addition, the non-audit fees paid to the auditors' office and their related parties were not the conflict of interest and not for auditing their own assignment which would deprive their independent judgment in reviewing the financial statements. The details of the audit fee and the non-audit fee are as follows:

Audit Fee	2012 (baht)	2011 (baht)
Audit Fee	2,382,390	1,986,390
Non-Audit Fee	-	24,946,014

The audit fees for 2012 will be 2,382,390 baht, an increase of 396,000 baht due to the increase of work as follows:

1. 316,000 baht for new subsidiaries' quarterly review, to be absorbed by EGCO
2. 800,000 baht for reviewing investment transactions according to the accounting standards

It should also be noted that PwC auditors are also appointed to be the auditor for the year 2012 of the Company's subsidiaries namely Khanom Electricity Generating Company Limited, EGCO Engineering and Service Company Limited, Egcom Tara Company Limited, EGCO Green Energy Company Limited, Roi-Et Green Company Limited, EGCO Cogeneration Company Limited, Natural Energy Development Company Limited, SPP3 Company Limited, SPP4 Company Limited, Theppana Wind Farm Company Limited, Chaiphum Wind Farm Company Limited.

**Board of Directors' Opinion:** The selection of the auditors and audit fee has been thoroughly reviewed and endorsed by the Audit Committee, considering the qualification and experiences of the auditors, the reputation of the auditors' office and the reasonable audit fee. The shareholders' meeting should therefore approve the followings:

1. To appoint Mr. Somchai Jinnovart, Certified Public Accountant (Thailand) No. 3271 or, Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977 or, Mr. Chaisiri Ruangritchai, Certified Public Accountant (Thailand) No. 4526 or, Ms. Amornrat Pearmpoonvatanasuk, Certified Public Accountant (Thailand) No. 4599 of PwC to be the Company's auditors, anyone being authorized to conduct the audit and express the opinions on the financial statements of the Company with the audit fee for year 2012 of 2,382,390 baht and the out-of-pocket expenses for audit work in Thailand of not exceeding 123,600 baht. Expenses incurred from any offshore audit work of the auditors shall be borne by the Company.
2. To authorize the Board of Directors to appoint PWC alternate certified public accountant in case of absence of the appointed auditors.
3. To authorize the Board of Directors to approve the review fee of the financial statements of any new subsidiaries, associated and joint venture companies.

**Voting Requirement:** Resolution shall be adopted by the majority votes of shareholders present and voting.

## **Agenda 6 To Consider and Elect Directors to Replace the Retiring Directors**

**General Information:** Section 71 of the Public Company Act and Article 17 of the Company's Articles of Association stated that one-third or the nearest number to one-third of the directors shall retire by rotation at the Shareholders' Annual General Meeting and the retiring directors may be re-elected. In 2012, five directors will retire by rotation comprising three independent directors, namely Mr. Aswin Kongsiri, Mr. Thanapich Mulapruk and Police Lieutenant General Pijarn Jittirat and two outside directors, namely Mr. Pornchai Rujiprapa and Mr. Kulit Sombatsiri.

The Company has invited all shareholders to recommend director nominees through its website and SET Portal but received no recommendation. The Board of Directors, with the recommendation of the Nomination and Remuneration Committee excluding directors having the conflict of interest in this election, considered the appropriate director mix as well as qualifications, experiences and expertise of the candidates to benefit the Company's operation and proposed the re-election of three retiring directors and the election of two new directors. Names of the nominated directors are as follows:

1. Mr. Pornchai Rujiprapa (re-elected)
2. Mr. Kulit Sombatsiri (re-elected)
3. Mr. Thanapich Mulapruk (independent director and re-elected)
4. Mr. Pongsatorn Kuananusorn (independent director to replace Mr. Aswin Kongsiri)
5. Mr. Sorajak Kasemsuvan (Independent director to replace Police Lieutenant General Pijarn Jittirat)

The nominated director no. (3) (4) and (5) has the qualifications that meet the definition of the Company's independent director.

**Board of Directors' Opinion:** The nomination of director nominees has been carefully carried out in accordance with the established process. The shareholders' meeting should re-elect the three retiring directors namely Mr. Pornchai Rujiprapa, Mr. Kulit Sombatsiri and Mr. Thanapich Mulapruk, for another term and elect Mr. Pongsatorn Kuananusorn and Mr. Sorajak Kasemsuvan as independent directors to replace Mr. Aswin Kongsiri and Police Lieutenant General Pijarn Jittirat, respectively. Profiles of the nominated directors as well as definition of Company's independent director are in Attachment # 5.

**Voting Requirement:** Resolution shall be adopted by the votes of not less than four-fifths of the total votes of shareholders attending the meeting and having voting right.

## Agenda 7 To Consider and Determine the Directors' Remuneration

**General Information:** Article 14 of the Company's Articles of Association prescribed that directors are entitled to remuneration being salary, meeting allowance, per-diem and bonus.

The Board of Directors, with the recommendation of the Nomination and Remuneration Committee, was of the opinion that directors' remuneration should be considered upon the Company's performances, responsibilities of the Board, competitiveness with the peer companies, and the motivation to attract and retain quality directors., Considering all of the above factors, the directors' remunerations are proposed for shareholders' approval as follows.

1. Monthly Retainer Fee and Meeting Allowance : To be maintained as approved by the shareholders since 2004, at 30,000 baht and 10,000 baht respectively. Meeting allowance for directors absence from the meeting shall be waived The Chairman and the Vice Chairman of the Board shall receive additional 25% and 10% of both monthly retainer fee and meeting allowance.
2. Bonus : To be paid to directors in the amount of 20 million baht, equaled to 2010 approved amount, for the Board's performances from continuous growth, high recognition in good corporate governance, the increasing share price, peer companies' pay, and dividend payout ratio. Such bonus amount, to be appropriated at the Board's discretion, was 0.7% of 2011 dividend payment.
3. Board Committees' Remuneration : To be maintained at the same rate as approved by shareholders since 2004 as follows.

Committee	Retainer Fee (baht)		Meeting Allowance(baht)	
	Chairman	Member	Chairman	Member
Investment Committee	25,000	20,000	25,000	20,000
Audit Committee	25,000	20,000	25,000	20,000
Nomination and Remuneration Committee	25,000	20,000	25,000	20,000
Corporate Governance and Social Responsibility Committee	-	-	30,000	24,000

The duties and responsibilities of each Board's Committee are hereby submitted for shareholders' information as Attachment # 13.

4. The remuneration of any Committee, newly established or revised during the year, shall be of the Board's discretion.
5. The President is not entitled to any directors' remuneration.



**Board of Directors' Opinion:** The directors' remuneration has been thoroughly considered and reviewed by the Nomination and Remuneration Committee based on all related factors. The shareholders' meeting should determine the directors' remuneration as proposed by the Board of Directors.

**Voting Requirement:** Resolution shall be adopted by the votes of not less than two-thirds of shareholders attending the meeting and having voting right.

**Agenda 8 To Consider Other Matters (if any)**

Kindly be informed that, pursuant to section 225 of the Securities and Exchange Act, the Board of Directors resolved to determine the record date and the closing date of the share registration book for the rights to attend the 2012 Annual General Shareholders' Meeting and to receive the dividend on March 15, 2012 and March 16, 2012 respectively.

You are cordially invited to attend the Meeting on the date, time and place specified above. In order to facilitate the shareholders, the registration will be opened from 12.00 noon until the meeting time. Shareholders who are unable to attend the Meeting and wish to appoint the proxy to attend the Meeting and vote on their behalf, please use the proxy form as Attachment # 6. Please also note that the notice of the Shareholders' Annual General Meeting No. 1/2012 including relevant information and the proxy form are publicized on the Company's website [www.egco.com](http://www.egco.com). Shareholders may choose to appoint one of the three independent directors of the Company as their proxy. Profiles of such three independent directors, namely (1) Mr. Phaiboon Siripanoosatien, Member of Nomination and Remuneration Committee and Member of Corporate Governance and Social Responsibility Committee (2) Police General Pansiri Prapawat, Member of Nomination and Remuneration Committee and (3) Mr. Pasan Teparak, Member of Audit Committee are attached as Attachment # 12 and all of them have no conflict of interests over the agendas of the meeting except Agenda 7 regarding directors' remuneration.

Shareholders are required to kindly comply with the conditions and procedures on meeting registration, proxy appointment and voting as set forth in Attachment # 7 and please bring along the registration form (Attachment # 8) for speedy registration process. In the case that you have any questions or enquiries on the meeting agendas, please forward your questions to [directors@egco.com](mailto:directors@egco.com) or through facsimile number 0 2955 0956 ext. 5022-6 in advance so that the Company can declare and/or supply additional information at the Meeting to protect the best interest of the shareholders. Shareholders' meeting location map is also attached as Attachment # 14 as well as the Shareholder's Guide containing information on dividend, share registration and share certificates, annual general meeting and communication channel as Attachment # 15.

Yours faithfully,



Sahust Pratuknukul

President

Corporate Secretary Division

Tel. 0 2998 5022-6

Remark: The shareholder can request for attending the shareholder's annual general meeting via IVR system of Thailand Securities Depository Co., Ltd (TSD), until three days prior to the meeting date, the steps of which are as follows:

- 1) Call TSD Center : Tel. 0 2229 2888
- 2) Press 9 for registration to shareholders' meeting
- 3) Press code number in fourteen digits (First 4 digits is 0465/the next 10 digits is shareholders' registration no. which appears on the Registration Form)
- 4) Confirm code number
- 5) Result will be informed by IVR system

Note: An English version of the Notice of Shareholders' Annual General Meeting No. 1/2012 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.