

## AUDITOR'S REPORT

(TRANSLATION)

**TO: THE BOARD OF DIRECTORS OF THE ELECTRICITY GENERATING AUTHORITY OF THAILAND**

The Office of the Auditor General of Thailand has audited the consolidated and separate statements of financial position as at December 31, 2011 and 2010 (restated), and the related consolidated and separate statements of income, comprehensive income, changes in equity, and cash flows for the years then ended of Electricity Generating Authority of Thailand and subsidiaries and of Electricity Generating Authority of Thailand, respectively. These financial statements are the responsibility of Electricity Generating Authority of Thailand's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General of Thailand is to express an opinion on these financial statements based on the audits. The Office of the Auditor General of Thailand did not audit the financial statements of Ratchaburi Electricity Generating Holding Public Company Limited and EGAT Diamond Service Company Limited, which are the subsidiaries and included in the consolidated financial statements which represented total assets, liabilities, revenues and expenses for the year 2011 constitute 19.41%, 24.48%, 10.75% and 10.55% respectively and for the year 2010 (restated) constitute 14.93%, 12.39%, 10.72% and 10.48% respectively. The financial statements of those subsidiaries were audited by other auditors whose reports have been furnished to the Office of the Auditor General of Thailand, and the opinion of the Office of the Auditor General of Thailand expressed herein insofar as it relates to the amounts included in the consolidated and separate financial statements, is based solely on the report of the other auditors.



The Office of the Auditor General of Thailand conducted the audits in accordance with generally accepted auditing standards. Those standards require that the Office of the Auditor General of Thailand plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Office of the Auditor General of Thailand believes that the audits and the reports of the other auditors, referred to above, provide a reasonable basis for the opinion of the Office of the Auditor General of Thailand.

In the opinion of the Office of the Auditor General of Thailand, based on the audits and other auditors' reports, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Electricity Generating Authority of Thailand and subsidiaries and of Electricity Generating Authority of Thailand respectively, as at December 31, 2011 and 2010 (restated), and the results of operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

(Signed) Pisit Leelavachirapas  
(Pisit Leelavachirapas)  
Deputy Auditor General  
Acting Auditor General

(Signed) Doungporn Muennuch  
(Doungporn Muennuch )  
Director of Audit Office

Office of the Auditor General

March 23, 2012



# FINANCIAL STATEMENTS

## ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES

### STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

Unit : Baht

|   | <u>Notes</u> | <u>Consolidated financial statement</u> |                        | <u>Separate financial statement</u> |                        |
|---|--------------|---|------------------------|-------------------------------------|------------------------|
|   |              | <u>2011</u>                             | <u>2010</u>            | <u>2011</u>                         | <u>2010</u>            |
|   |              |   | (Restated)             |                                     | (Restated)             |
| ASSETS  |              |   |                        |                                     |                        |
| CURRENT ASSETS  |              |   |                        |                                     |                        |
| Cash and cash equivalents                             | 5.1          | 51,338,827,907                          | 47,869,614,338         | 40,537,207,524                      | 36,158,753,679         |
| Temporary investments                                 | 5.2          | 13,282,014,657                          | 20,071,117,955         | 10,080,730,648                      | 17,469,734,825         |
| Trade accounts receivable - others                    | 5.3          | 36,558,987,103                          | 36,583,416,711         | 36,184,658,647                      | 36,533,703,788         |
| Trade accounts receivable - related parties           | 5.4.1        | 2,032,849,976                           | 1,683,474,039          | 2,287,020,038                       | 1,740,766,226          |
| Accrued revenue from electric energy sales            |              |   |                        |                                     |                        |
| according to automatic tariff adjustment (Ft)         | 5.5          | 1,178,643,884                           | 2,247,307,257          | 1,178,643,884                       | 2,247,307,257          |
| Other accounts receivable                             | 5.6          | 7,504,092,764                           | 3,995,826,641          | 7,410,354,490                       | 3,830,630,942          |
| Current portion of long-term loans to related parties | 5.4.2        | 62,500,000                              | 62,500,000             | -                                   | -                      |
| Materials and supplies                                | 5.7          | 12,196,222,646                          | 11,778,810,548         | 9,943,636,348                       | 10,030,542,266         |
| Other current assets                                  |              |   |                        |                                     |                        |
| Derivative assets                                     | 5.8.1        | 40,312,349                              | 189,892,087            | 40,312,349                          | 189,892,087            |
| Others  |              | 323,043,678                             | 296,062,912            | -                                   | 243,174,300            |
| <b>Total current assets</b>                           |              | <b>124,517,494,964</b>                  | <b>124,778,022,488</b> | <b>107,662,563,928</b>              | <b>108,444,505,370</b> |
| NON-CURRENT ASSETS                                    |              |   |                        |                                     |                        |
| Investments in associates                             | 5.9.3, 5.9.4 | 13,687,303,725                          | 12,595,952,895         | 1,587,550,233                       | 1,587,550,233          |
| Investments in subsidiaries                           | 5.9.4        | -                                       | -                      | 7,052,952,585                       | 6,882,952,585          |
| Investments in jointly controlled entities            | 5.9.3, 5.9.4 | 13,643,499,397                          | 10,997,708,654         | 584,500,000                         | 428,750,000            |
| Other long-term investments                           |              | 2,299,880,037                           | 1,720,116,883          | -                                   | -                      |
| Long-term loans to related parties                    | 5.4.2        | 1,611,633,470                           | -                      | -                                   | -                      |
| Property, plant and equipment                         | 5.10         | 273,536,466,536                         | 263,009,393,139        | 224,796,785,334                     | 230,161,729,738        |
| Work under construction                               | 5.11         | 33,145,360,964                          | 30,224,623,050         | 32,685,234,194                      | 29,940,087,315         |
| Goodwill  | 5.12         | 3,733,125,311                           | 117,086,032            | -                                   | -                      |
| Other intangible assets                               | 5.13         | 23,498,341,896                          | 21,019,802,440         | 21,128,872,912                      | 20,336,482,255         |
| Land awaiting development                             | 5.14         | 2,121,472,035                           | 2,118,017,362          | 1,816,082,185                       | 1,812,795,512          |
| Deferred tax assets                                   | 5.15.1       | 189,628,109                             | 135,417,436            | -                                   | -                      |
| Other non-current assets                              | 5.16         | 3,550,060,150                           | 2,964,677,187          | 1,830,223,720                       | 1,738,686,678          |
| <b>Total non-current assets</b>                       |              | <b>371,016,771,630</b>                  | <b>344,902,795,078</b> | <b>291,482,201,163</b>              | <b>292,889,034,316</b> |
| <b>TOTAL ASSETS</b>                                   |              | <b>495,534,266,594</b>                  | <b>469,680,817,566</b> | <b>399,144,765,091</b>              | <b>401,333,539,686</b> |

Notes to the financial statements are an integral part of these financial statements.



**ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2011 AND 2010**

|   |        | Unit : Baht                      |                        |                              |                        |
|---|--------|----------------------------------|------------------------|------------------------------|------------------------|
|   | Notes  | Consolidated financial statement |                        | Separate financial statement |                        |
|   |        | 2011                             | 2010                   | 2011                         | 2010                   |
|   |        |                                  | (Restated)             |                              | (Restated)             |
| LIABILITIES AND EQUITY                                  |        |                                  |                        |                              |                        |
| CURRENT LIABILITIES                                     |        |                                  |                        |                              |                        |
| Trade accounts payable - others                         | 5.17   | 31,543,965,363                   | 26,909,477,341         | 26,956,618,133               | 22,222,331,970         |
| Trade accounts payable - related parties                | 5.4.3  | 7,050,383,940                    | 4,176,075,623          | 9,377,183,591                | 7,504,877,612          |
| Other accounts payable                                  |        | 9,263,929,361                    | 9,822,258,829          | 8,409,758,776                | 9,200,459,643          |
| Accrued interest expenses                               |        | 946,277,273                      | 1,147,229,452          | 944,587,833                  | 1,147,109,752          |
| Accrued remittance to the Ministry of Finance           | 5.18   | 7,043,684,473                    | 8,647,538,956          | 7,043,684,473                | 8,647,538,956          |
| Accrued expenses  |        | 4,568,348,068                    | 4,682,518,755          | 4,525,764,159                | 4,681,371,806          |
| Current portion of long-term loans from related parties | 5.4.4  | 2,775,320,949                    | -                      | -                            | -                      |
| Current portion of long - term loans                    | 5.19   | 18,639,251,852                   | 20,642,709,687         | 14,730,164,799               | 17,025,241,685         |
| Current portion of finance lease liabilities            |        | 1,939,500                        | 1,474,839              | -                            | -                      |
| Other current liabilities                               |        |                                  |                        |                              |                        |
| Derivative liabilities                                  | 5.8.2  | 2,989,218                        | 313,431,871            | 2,989,218                    | 313,431,871            |
| Others  |        | 535,407,760                      | 727,937,378            | -                            | -                      |
| <b>Total current liabilities</b>                        |        | <b>82,371,497,757</b>            | <b>77,070,652,731</b>  | <b>71,990,750,982</b>        | <b>70,742,363,295</b>  |
| NON-CURRENT LIABILITIES                                 |        |                                  |                        |                              |                        |
| Long-term loans from related parties                    | 5.4.4  | 1,425,625,869                    | -                      | -                            | -                      |
| Long-term loans   | 5.19   | 83,166,216,883                   | 82,905,917,132         | 51,765,333,381               | 69,069,890,549         |
| Deferred tax liabilities                                | 5.15.1 | 2,039,387,461                    | -                      | -                            | -                      |
| Finance lease liabilities                               |        | 2,296,792                        | 3,259,557              | -                            | -                      |
| Employee benefit obligations                            | 5.20   | 12,155,174,461                   | 11,818,684,817         | 12,074,494,217               | 11,818,348,349         |
| Provision liabilities for mine reclamation              | 5.21   | 1,982,698,653                    | 1,923,308,185          | 1,982,698,653                | 1,923,308,185          |
| Other non-current liabilities                           | 5.22   | 10,061,595,542                   | 11,284,581,198         | 9,679,355,472                | 11,302,448,803         |
| <b>Total non-current liabilities</b>                    |        | <b>110,832,995,661</b>           | <b>107,935,750,889</b> | <b>75,501,881,723</b>        | <b>94,113,995,886</b>  |
| <b>TOTAL LIABILITIES</b>                                |        | <b>193,204,493,418</b>           | <b>185,006,403,620</b> | <b>147,492,632,705</b>       | <b>164,856,359,181</b> |
| EQUITY  |        |                                  |                        |                              |                        |
| Contribution from the government                        | 5.23   | 9,126,643,343                    | 9,188,976,106          | 9,126,643,343                | 9,188,976,106          |
| Surplus from royalty on state property service          |        | 474,767,280                      | 474,767,280            | 474,767,280                  | 474,767,280            |
| Accrued common share of jointly controlled entities     |        | -                                | (23,625,000)           | -                            | -                      |
| Retained earnings                                       |        |                                  |                        |                              |                        |
| Appropriated  |        |                                  |                        |                              |                        |
| Capital expenditure appropriation                       |        | 80,186,366,913                   | 80,186,366,913         | 80,186,366,913               | 80,186,366,913         |
| Unappropriated  |        | 182,338,845,049                  | 166,011,950,262        | 161,864,354,850              | 146,631,332,854        |
| Other componenets of equity                             |        | 3,001,903,942                    | 2,871,067,481          | -                            | (4,262,648)            |
| <b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS</b>              |        | <b>275,128,526,527</b>           | <b>258,709,503,042</b> | <b>251,652,132,386</b>       | <b>236,477,180,505</b> |
| <b>OF EGAT</b>  |        | <b>275,128,526,527</b>           | <b>258,709,503,042</b> | <b>251,652,132,386</b>       | <b>236,477,180,505</b> |
| <b>NON-CONTROLLING INTERESTS</b>                        |        | <b>27,201,246,649</b>            | <b>25,964,910,904</b>  | <b>-</b>                     | <b>-</b>               |
| <b>TOTAL EQUITY</b>                                     |        | <b>302,329,773,176</b>           | <b>284,674,413,946</b> | <b>251,652,132,386</b>       | <b>236,477,180,505</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                     |        | <b>495,534,266,594</b>           | <b>469,680,817,566</b> | <b>399,144,765,091</b>       | <b>401,333,539,686</b> |

Notes to the financial statements are an integral part of these financial statements.

(signed) Sutat Patmasiriwat

(Mr. Sutat Patmasiriwat)

Director and Governor

(signed) Sunanta Kietsirikul

(Mrs. Sunanta Kietsirikul)

Deputy Governor - Account and Finance

**ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Unit : Baht

|   | <u>Notes</u> | <u>Consolidated financial statement</u> |                        | <u>Separate financial statement</u> |                        |
|---|--------------|---|------------------------|-------------------------------------|------------------------|
|   |              | <u>2011</u>                             | <u>2010</u>            | <u>2011</u>                         | <u>2010</u>            |
|   |              |   | (Restated)             |                                     | (Restated)             |
| <b>REVENUES</b>                                       |              |   |                        |                                     |                        |
| Revenue from electric energy sales                    |              | 399,377,399,137                         | 383,458,977,305        | 397,126,901,542                     | 383,266,260,061        |
| Revenue from sales of other goods and services        | 5.4.5, 5.24  | 19,067,792,975                          | 21,986,080,032         | 22,700,289,097                      | 23,911,189,183         |
| <b>Total revenue from sales and services</b>          |              | <b>418,445,192,112</b>                  | <b>405,445,057,337</b> | <b>419,827,190,639</b>              | <b>407,177,449,244</b> |
| <b>COST OF SALES</b>                                  |              |   |                        |                                     |                        |
| Cost of electric energy sales                         | 5.4.5, 5.25  | 348,519,160,353                         | 330,316,696,128        | 354,107,355,629                     | 336,400,403,422        |
| Cost of sales of other goods and services             | 5.4.5, 5.26  | 17,833,439,487                          | 20,936,964,998         | 21,607,677,247                      | 23,070,208,974         |
| <b>Total cost of sales and services</b>               |              | <b>366,352,599,840</b>                  | <b>351,253,661,126</b> | <b>375,715,032,876</b>              | <b>359,470,612,396</b> |
| <b>GROSS PROFIT</b>                                   |              | <b>52,092,592,272</b>                   | <b>54,191,396,211</b>  | <b>44,112,157,763</b>               | <b>47,706,836,848</b>  |
| <b>OTHER REVENUES</b>                                 | 5.27         | 3,879,881,092                           | 3,660,819,203          | 5,293,311,541                       | 5,470,114,983          |
| <b>INCOME BEFORE EXPENSES</b>                         |              | <b>55,972,473,364</b>                   | <b>57,852,215,414</b>  | <b>49,405,469,304</b>               | <b>53,176,951,831</b>  |
| <b>SELLING EXPENSES</b>                               |              | 152,541,581                             | 115,426,689            | 152,541,581                         | 115,426,689            |
| <b>ADMINISTRATIVE EXPENSES</b>                        |              | 16,207,490,162                          | 15,427,350,364         | 14,472,322,456                      | 14,557,025,944         |
| <b>OTHER EXPENSES</b>                                 | 5.28         | 654,490,083                             | 38,764,273             | 615,980,778                         | 7,345,665              |
| <b>TOTAL EXPENSES</b>                                 |              | <b>17,014,521,826</b>                   | <b>15,581,541,326</b>  | <b>15,240,844,815</b>               | <b>14,679,798,298</b>  |
| <b>FINANCE COSTS</b>                                  | 5.30         | 5,424,380,062                           | 4,457,363,509          | 3,460,456,975                       | 3,719,616,014          |
| <b>INCOME BEFORE SHARE OF PROFIT FROM INVESTMENTS</b> |              | <b>33,533,571,476</b>                   | <b>37,813,310,579</b>  | <b>30,704,167,514</b>               | <b>34,777,537,519</b>  |
| <b>SHARE OF PROFIT FROM INVESTMENTS IN ASSOCIATES</b> | 5.29         | 1,199,817,680                           | 1,828,959,466          | -                                   | -                      |
| <b>SHARE OF PROFIT FROM INVESTMENTS IN JOINTLY</b>    |              |   |                        |                                     |                        |
| <b>CONTROLLED ENTITIES</b>                            |              | 1,333,595,257                           | 1,443,132,513          | -                                   | -                      |
| <b>INCOME BEFORE INCOME TAX</b>                       |              | <b>36,066,984,413</b>                   | <b>41,085,402,558</b>  | <b>30,704,167,514</b>               | <b>34,777,537,519</b>  |
| <b>INCOME TAX</b>                                     | 5.15.2       | 1,822,215,544                           | 1,266,545,722          | -                                   | -                      |
| <b>INCOME FOR THE YEAR</b>                            |              | <b>34,244,768,869</b>                   | <b>39,818,856,836</b>  | <b>30,704,167,514</b>               | <b>34,777,537,519</b>  |
| <b>ATTRIBUTABLE TO:</b>                               |              |   |                        |                                     |                        |
| <b>OWNERS OF EGAT</b>                                 |              | 31,818,727,754                          | 36,955,675,000         | 30,704,167,514                      | 34,777,537,519         |
| <b>NON-CONTROLLING INTERESTS</b>                      |              | 2,426,041,115                           | 2,863,181,836          | -                                   | -                      |
|   |              | <b>34,244,768,869</b>                   | <b>39,818,856,836</b>  | <b>30,704,167,514</b>               | <b>34,777,537,519</b>  |

Notes to the financial statements are an integral part of these financial statements.

(signed) Sutat Patmasiriwat

(Mr. Sutat Patmasiriwat)

Director and Governor

(signed) Sunanta Kietsirikul

(Mrs. Sunanta Kietsirikul)

Deputy Governor - Account and Finance



**ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

|   | <u>Notes</u> | <b>Consolidated financial statement</b> |                       | <b>Separate financial statement</b> |                       |
|---|--------------|---|-----------------------|-------------------------------------|-----------------------|
|   |              | <b>2011</b>                             | <b>2010</b>           | <b>2011</b>                         | <b>2010</b>           |
|   |              |   | <b>(Restated)</b>     |                                     | <b>(Restated)</b>     |
| <b>INCOME FOR THE YEAR</b>                                      |              | 34,244,768,869                          | 39,818,856,836        | 30,704,167,514                      | 34,777,537,519        |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                        |              |   |                       |                                     |                       |
| Currency translation differences                                |              | (176,795,163)                           | 18,887,917            | -                                   | -                     |
| Available-for-sale financial assets                             |              | (83,066,386)                            | (4,505,725)           | 4,262,648                           | (4,505,725)           |
| Income taxes of other comprehensive gain (loss) of subsidiaries |              | 6,127,430                               | -                     | -                                   | -                     |
| Share of other comprehensive gain (loss) of associates          |              | 236,782,836                             | (74,552,598)          | -                                   | -                     |
| <b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR,</b>          |              |   |                       |                                     |                       |
| <b>NET OF INCOME TAXES</b>                                      |              | (16,951,283)                            | (60,170,406)          | 4,262,648                           | (4,505,725)           |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                  |              | <u>34,227,817,586</u>                   | <u>39,758,686,430</u> | <u>30,708,430,162</u>               | <u>34,773,031,794</u> |
| <b>ATTRIBUTABLE TO:</b>   |              |   |                       |                                     |                       |
| <b>OWNERS OF EGAT</b>   |              | 31,949,564,215                          | 36,885,116,240        | 30,708,430,162                      | 34,773,031,794        |
| <b>NON-CONTROLLING INTERESTS</b>                                |              | <u>2,278,253,371</u>                    | <u>2,873,570,190</u>  | <u>-</u>                            | <u>-</u>              |
|   |              | <u>34,227,817,586</u>                   | <u>39,758,686,430</u> | <u>30,708,430,162</u>               | <u>34,773,031,794</u> |

Notes to the financial statements are an integral part of these financial statements.

*(signed) Sutat Patmasiriwat*

**(Mr. Sutat Patmasiriwat)**

**Director and Governor**

*(signed) Sunanta Kietsirikul*

**(Mrs. Sunanta Kietsirikul)**

**Deputy Governor - Account and Finance**



**ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Consolidated financial statement**

| Notes | Total equity attributable to EGAT   |  |  |                   |                |  |  |   |   |                     | Non-controlling<br>Interests | Total equity                        |   |
|-------|---|--|--|-------------------|----------------|--|--|---|---|---------------------|------------------------------|-------------------------------------|---|
|       | Contribution from<br>the government   | Surplus from<br>royalty on state<br>property service | Accrued common<br>share of jointly<br>controlled<br>entity | Retained earnings |                | Other components of equity             |  |   |   | Total EGAT's equity |                              |                                     |   |
|       |   |  |  | appropriated      | unappropriated | Currency<br>translation<br>differences | Available-for-sale<br>financial assets | Surplus on<br>subsidiaries and<br>associates using<br>equity method | Income taxes<br>for other<br>comprehensive<br>gain (loss) |                     |                              |                                     | Share of other<br>comprehensive<br>gain (loss) of<br>associates |
| 4.1   | Balance as at January 1, 2010 (Before adjustment)   | 9,251,308,869  | 474,767,280  | -                 | 80,186,366,913 | 157,975,517,626<br>(11,231,132,525)    | -                                      | 243,077   | 2,886,909,938   | -                   | 54,473,226                   | 250,829,586,929<br>(11,231,132,525) | 275,510,792,689<br>(11,163,122,941)                             |
|       | Cumulative effect of the changes in accounting policies   | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | 68,009,584                          | -   |
|       | Balance as at January 1, 2010 - after adjustment  | 9,251,308,869  | 474,767,280  | -                 | 80,186,366,913 | 146,744,385,101                        | -                                      | 243,077   | 2,886,909,938   | -                   | 54,473,226                   | 239,598,454,404                     | 264,347,669,748   |
|       | Depreciation of assets for irrigation   | (62,332,763)   | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | (62,332,763)                        | -   |
| 5.23  | Accrued common share of jointly controlled entity   | -  | -  | (23,625,000)      | -              | -                                      | -                                      | -   | -   | -                   | -                            | -                                   | (23,625,000)  |
|       | Remittance to the Ministry of Finance   | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | -                                   | -   |
|       | Increase of the year 2009   | -  | -  | -                 | -              | (770,883)                              | -                                      | -   | -   | -                   | -                            | (770,883)                           | -   |
|       | The year 2010 (Jan 1 - Jun 30, 2010)  | -  | -  | -                 | -              | (9,039,714,268)                        | -                                      | -   | -   | -                   | -                            | (9,039,714,268)                     | -   |
|       | Increase of the year 2010 (Jan 1 - Jun 30, 2010)  | -  | -  | -                 | -              | (85,732)                               | -                                      | -   | -   | -                   | -                            | (85,732)                            | -   |
|       | Provision for remittance to the Ministry of Finance   | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | -                                   | -   |
| 5.18  | The year 2010 (Jul 1 - Dec 31, 2010)  | -  | -  | -                 | -              | (8,647,538,956)                        | -                                      | -   | -   | -                   | -                            | (8,647,538,956)                     | -   |
|       | Changes in equity   | -  | -  | -                 | -              | (17,688,109,839)                       | -                                      | -   | -   | -                   | -                            | (17,688,109,839)                    | -   |
|       | Additional investments in subsidiaries  | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | 85,525,440                          | 85,525,440  |
|       | Additional investments from subsidiaries  | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | 50,974,930                          | 50,974,930  |
|       | Dividends paid  | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | (1,794,375,000)                     | (1,794,375,000)   |
|       | Total comprehensive income (loss) for the year  | -  | -  | -                 | -              | 36,955,675,000                         | 8,499,563                              | (4,505,725)   | -   | -                   | (74,552,598)                 | 36,885,116,240                      | 39,758,686,430  |
|       | Balance as at December 31, 2010   | 9,188,976,106  | 474,767,280  | (23,625,000)      | 80,186,366,913 | 166,011,950,262                        | 8,499,563                              | (4,262,648)   | 2,886,909,938   | -                   | (20,079,372)                 | 258,709,510,042                     | 284,674,413,946   |
| 4.1   | Balance as at January 1, 2011 (Before adjustment)   | 9,188,976,106  | 474,767,280  | (23,625,000)      | 80,186,366,913 | 177,642,537,863<br>(11,630,587,601)    | 8,499,563                              | (4,262,648)   | 2,886,909,938   | -                   | (20,079,372)                 | 270,340,090,643<br>(11,630,587,601) | 296,233,968,917<br>(11,559,554,971)                             |
|       | Cumulative effect of the changes in accounting policies   | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | 71,032,630                          | -   |
|       | Changes in equity   | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | -                                   | -   |
|       | Cumulative effect of the changes in accounting policies by beginning retained earnings adjustment | -  | -  | -                 | -              | (20,687,449)                           | -                                      | -   | -   | -                   | -                            | (20,687,449)                        | (45,997,288)  |
| 5.23  | Balance as at January 1, 2011 - after adjustment  | 9,188,976,106  | 474,767,280  | (23,625,000)      | 80,186,366,913 | 165,991,265,813                        | 8,499,563                              | (4,262,648)   | 2,886,909,938   | -                   | (20,079,372)                 | 258,888,815,593<br>(62,332,763)     | 284,628,416,658   |
|       | Depreciation of assets for irrigation   | (62,332,763)   | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | -                                   | -   |
|       | Accrued common share of jointly controlled entity   | -  | -  | (23,625,000)      | -              | -                                      | -                                      | -   | -   | -                   | -                            | -                                   | -   |
|       | Remittance to the Ministry of Finance   | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | -                                   | -   |
|       | Increase of the year 2010   | -  | -  | -                 | -              | (28,461,045)                           | -                                      | -   | -   | -                   | -                            | (28,461,045)                        | -   |
|       | The year 2011 (Jan 1 - Jun 30, 2011)  | -  | -  | -                 | -              | (8,398,695,954)                        | -                                      | -   | -   | -                   | -                            | (8,398,695,954)                     | -   |
|       | Increase of the year 2011 (Jan 1 - Jun 30, 2011)  | -  | -  | -                 | -              | (304,046)                              | -                                      | -   | -   | -                   | -                            | (304,046)                           | -   |
|       | Provision for remittance to the Ministry of Finance   | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | -                                   | -   |
| 5.18  | The year 2011 (Jul 1 - Dec 31, 2011)  | -  | -  | -                 | -              | (7,043,684,473)                        | -                                      | -   | -   | -                   | -                            | (7,043,684,473)                     | -   |
|       | Changes in equity   | -  | -  | -                 | -              | (15,471,145,518)                       | -                                      | -   | -   | -                   | -                            | (15,471,145,518)                    | -   |
|       | Additional investments from subsidiaries  | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | 777,767,213                         | 777,767,213   |
|       | Dividends paid  | -  | -  | -                 | -              | -                                      | -                                      | -   | -   | -                   | -                            | (1,794,375,000)                     | (1,794,375,000)   |
|       | Total comprehensive income (loss) for the year  | -  | -  | -                 | -              | 31,818,727,754                         | (73,668,301)                           | (35,035,417)  | -   | 2,757,343           | 236,782,836                  | 31,949,564,215                      | 34,227,817,586  |
|       | Balance as at December 31, 2011   | 9,126,643,343  | 474,767,280  | -                 | 80,186,366,913 | 182,338,845,049                        | (65,168,738)                           | (39,298,065)  | 2,886,909,938   | 2,757,343           | 216,703,464                  | 275,128,526,527                     | 302,329,773,176   |

**Notes to the financial statements are an integral part of these financial statements**

**ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Separate financial statement

|      | Notes   | Contribution from<br>the government | Surplus from<br>royalty on state<br>property service | Retained earnings |                  | Total other<br>components of equity<br>Other comprehensive income<br>Available-for-sale<br>financial assets | Unit : Baht<br>Total equity |
|------|---|-------------------------------------|--|-------------------|------------------|---|-----------------------------|
|      |   |                                     |  | appropriated      | unappropriated   |   |                             |
|      |   |                                     |  |                   |                  |   |                             |
|      |   |                                     |  |                   |                  |   |                             |
| 4.1  | Balance as at January 1, 2010 (Before adjustment)       | 9,251,308,869                       | 474,767,280  | 80,186,366,913    | 140,955,777,715  | 243,077   | 230,868,463,854             |
|      | Cumulative effect of the changes in accounting policies | -                                   | -  | -                 | (11,413,872,541) | -   | (11,413,872,541)            |
|      | Balance as at January 1, 2010 - after adjustment        | 9,251,308,869                       | 474,767,280  | 80,186,366,913    | 129,541,905,174  | 243,077   | 219,454,591,313             |
|      | Depreciation of assets for irrigation                   | (62,332,763)                        | -  | -                 | -                | -   | (62,332,763)                |
| 5.23 | Remittance to the Ministry of Finance                   | -                                   | -  | -                 | -                | -   | -                           |
|      | Increase of the year 2009                               | -                                   | -  | -                 | (770,883)        | -   | (770,883)                   |
|      | The year 2010 (Jan 1 - Jun 30, 2010)                    | -                                   | -  | -                 | (9,039,714,268)  | -   | (9,039,714,268)             |
|      | Increase of the year 2010 (Jan 1 - Jun 30, 2010)        | -                                   | -  | -                 | (85,732)         | -   | (85,732)                    |
| 5.18 | Provision for remittance to the Ministry of Finance     | -                                   | -  | -                 | (8,647,538,956)  | -   | (8,647,538,956)             |
|      | The year 2010 (Jul 1 - Dec 31, 2010)                    | -                                   | -  | -                 | (17,688,109,839) | -   | (17,688,109,839)            |
|      | Changes in equity for the year 2010                     | -                                   | -  | -                 | (8,647,538,956)  | -   | (8,647,538,956)             |
|      | Total comprehensive income (loss) for the year          | -                                   | -  | -                 | 34,777,537,519   | (4,505,725)   | 34,773,031,794              |
| 4.1  | Balance as at December 31, 2010                         | 9,188,976,106                       | 474,767,280  | 80,186,366,913    | 146,631,332,854  | (4,262,648)   | 236,477,180,505             |
|      | Balance as at January 1, 2011 (Before adjustment)       | 9,188,976,106                       | 474,767,280  | 80,186,366,913    | 158,449,681,203  | (4,262,648)   | 248,295,528,854             |
|      | Cumulative effect of the changes in accounting policies | -                                   | -  | -                 | (11,818,348,349) | -   | (11,818,348,349)            |
|      | Balance as at January 1, 2011 - after adjustment        | 9,188,976,106                       | 474,767,280  | 80,186,366,913    | 146,631,332,854  | (4,262,648)   | 236,477,180,505             |
| 5.23 | Depreciation of assets for irrigation                   | (62,332,763)                        | -  | -                 | -                | -   | (62,332,763)                |
|      | Remittance to the Ministry of Finance                   | -                                   | -  | -                 | -                | -   | -                           |
|      | Increase of the year 2010                               | -                                   | -  | -                 | (28,461,045)     | -   | (28,461,045)                |
|      | The year 2011 (Jan 1 - Jun 30, 2011)                    | -                                   | -  | -                 | (8,398,695,954)  | -   | (8,398,695,954)             |
| 5.18 | Increase of the year 2011 (Jan 1 - Jun 30, 2011)        | -                                   | -  | -                 | (304,046)        | -   | (304,046)                   |
|      | Provision for remittance to the Ministry of Finance     | -                                   | -  | -                 | (7,043,684,473)  | -   | (7,043,684,473)             |
|      | The year 2011 (Jul 1 - Dec 31, 2011)                    | -                                   | -  | -                 | (15,471,145,518) | -   | (15,471,145,518)            |
|      | Changes in equity for the year 2011                     | -                                   | -  | -                 | 30,704,167,514   | 4,262,648   | 30,708,430,162              |
|      | Total comprehensive income (loss) for the year          | -                                   | -  | -                 | 161,864,354,850  | -   | 251,652,132,386             |
|      | Balance as at December 31, 2011                         | 9,126,643,343                       | 474,767,280  | 80,186,366,913    | -                | -   | -                           |

Notes to the financial statements are an integral part of these financial statements.





**ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Unit : Baht

| Notes   | Consolidated financial statement |                    | Separate financial statement |                    |
|---|----------------------------------|--------------------|------------------------------|--------------------|
|   | 2011                             | 2010<br>(Restated) | 2011                         | 2010<br>(Restated) |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                  |                    |                              |                    |
| Net income of EGAT  | 31,818,727,754                   | 36,955,675,000     | 30,704,167,514               | 34,777,537,519     |
| Adjustments to reconcile net income to net cash inflows (outflows)                      |                                  |                    |                              |                    |
| from operating activities   |                                  |                    |                              |                    |
| Depreciation  | 22,684,926,393                   | 20,533,202,552     | 19,594,092,989               | 17,982,871,649     |
| Loss on impairment of assets  | 155,147,300                      | -                  | -                            | -                  |
| Donation assets   | (49,364)                         | (94,105)           | (49,364)                     | (94,105)           |
| Amortization of land rights and project development rights                              | 5.13 67,364,992                  | 521,512            | 521,512                      | 521,512            |
| Amortization of computer software rights  | 247,207,725                      | 161,884,149        | 244,829,626                  | 160,239,757        |
| Amortization of royalty on state property service                                       | 5.13 6,337,356                   | 6,337,356          | 6,337,356                    | 6,337,356          |
| Amortization of gas pipe system rights  | 5.13 312,449                     | 312,449            | -                            | -                  |
| Amortization of transmission system connection rights                                   | 5.13 1,422,762                   | 1,370,165          | -                            | -                  |
| Amortization of deferred loan fees  | 136,588,674                      | 37,186,814         | -                            | -                  |
| Amortization of deferred charges of the lignite mine                                    | 5.16 4,483,310,215               | 5,236,363,976      | 4,483,310,215                | 5,236,363,976      |
| Doubtful debts  | (7,229,356)                      | 12,811,515         | (7,229,356)                  | 12,811,515         |
| Bad debts   | 1,428,764                        | 469,810            | 1,428,764                    | 469,810            |
| Allowance for obsolescence on materials and supplies                                    | 376,485,856                      | 188,535,130        | 317,272,452                  | 160,097,904        |
| Profit on disposal of assets  | (1,837,338)                      | (38,615,431)       | (2,560,384)                  | (36,520,407)       |
| Revenue from deferred income  | 5.22 (363,827,427)               | (421,905,024)      | (363,827,427)                | (421,905,024)      |
| Employee benefit obligations  | 176,286,317                      | 404,550,303        | 161,049,960                  | 404,475,808        |
| Losses (gains) on foreign exchange  | 652,180,018                      | (710,417,651)      | 613,670,712                  | (661,702,394)      |
| Gains on changes in the fair value of derivatives                                       | (296,393,071)                    | (199,942,600)      | (296,393,071)                | (199,942,600)      |
| Dividends received from subsidiary  | 5.9 -                            | -                  | (702,311,725)                | (702,311,725)      |
| Dividends received from associates  | 5.9 -                            | -                  | (1,468,125,000)              | (1,468,125,000)    |
| Dividends received from other investments   | (60,062,640)                     | -                  | -                            | -                  |
| Share of profit from associated company   | (1,199,817,680)                  | (1,828,959,466)    | -                            | -                  |
| Share of profit from jointly controlled entity  | (1,333,595,257)                  | (1,443,132,513)    | -                            | -                  |
| Net income attributable to non-controlling interests                                    | 2,426,041,115                    | 2,863,181,836      | -                            | -                  |
| Interest income   | (1,977,321,380)                  | (831,624,393)      | (1,392,782,554)              | (597,770,104)      |
| Interest expenses   | 5,205,205,961                    | 4,416,663,118      | 3,458,421,388                | 3,717,537,436      |
| Income tax  | 5.15.2 1,822,215,544             | 1,266,545,722      | -                            | -                  |
| Net income from operating activities before changes in operating assets and liabilities | 65,021,055,682                   | 66,610,920,224     | 55,351,823,607               | 58,370,892,883     |
| Changes in operating assets (Increase) Decrease   |                                  |                    |                              |                    |
| Trade accounts receivable   | 1,948,493,182                    | 11,976,525,329     | 797,932,225                  | 12,168,166,664     |
| Other accounts receivable   | (469,419,179)                    | 327,323,949        | (496,781,328)                | 554,581,495        |
| Materials and supplies  | (209,348,208)                    | (827,391,895)      | (182,559,881)                | (828,822,759)      |
| Other current assets  | 3,832,533                        | 270,679,134        | 243,174,301                  | 256,421,266        |
| Other non-current assets  | (815,483,702)                    | 429,904,875        | 33,921,797                   | 610,059,159        |
| Deferred tax assets   | (34,497,549)                     | (135,417,436)      | -                            | -                  |
| Deferred charges of the lignite mine  | 5.16 (4,608,769,054)             | (5,209,670,915)    | (4,608,769,054)              | (5,209,670,915)    |
| Changes in operating liabilities Increase (Decrease)                                    |                                  |                    |                              |                    |
| Trade accounts payable  | 7,159,694,526                    | (10,191,636,754)   | 6,657,751,193                | (13,174,364,830)   |
| Other accounts payable  | (5,654,007,838)                  | (6,556,625,054)    | (5,804,828,293)              | (6,765,715,926)    |
| Other current liabilities   | (261,449,918)                    | (137,995,067)      | -                            | -                  |
| Accrued expenses  | (59,536,545)                     | 1,025,767,688      | (155,607,647)                | 1,242,411,420      |
| Other non-current liabilities   | 375,853,983                      | (426,811,008)      | (665,920,458)                | (419,093,881)      |
| Deferred tax liabilities  | (63,559,175)                     | -                  | -                            | -                  |
| Provision liabilities for mine reclamation  | 64,587,364                       | 69,431,762         | 64,587,364                   | 69,431,762         |
|   | (2,623,609,580)                  | (9,385,915,392)    | (4,117,099,781)              | (11,496,596,545)   |
| Cash receipts from operating  | 62,397,446,102                   | 57,225,004,832     | 51,234,723,826               | 46,874,296,338     |
| Cash receipts on interest   | 583,516,917                      | 163,344,307        | 580,054,521                  | 161,923,000        |
| Cash payment on income tax  | (1,880,977,285)                  | (1,049,231,039)    | -                            | -                  |
| Net cash inflows from operating activities  | 61,099,985,734                   | 56,339,118,100     | 51,814,778,347               | 47,036,219,338     |

Notes to the financial statements are an integral part of these financial statements.



**ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

|   |       | Unit : Baht                      |                    |                              |                    |
|---|-------|----------------------------------|--------------------|------------------------------|--------------------|
|   | Notes | Consolidated financial statement |                    | Separate financial statement |                    |
|   |       | 2011                             | 2010<br>(Restated) | 2011                         | 2010<br>(Restated) |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |       |                                  |                    |                              |                    |
| Net cash receipts (payment) on temporary investments                                      |       | 6,841,982,816                    | (11,733,594,655)   | 7,393,266,825                | (17,383,311,524)   |
| Net cash receipts (payment) on long-term investments                                      |       | (72,324,357)                     | (1,197,408,625)    | -                            | -                  |
| Cash receipts on disposal of assets   |       | 1,014,333,762                    | 144,558,636        | 136,222,775                  | 140,291,730        |
| Cash payment on property, plant, equipment, work under construction and intangible assets | a     | (19,423,345,255)                 | (19,990,401,580)   | (16,656,599,153)             | (19,310,525,733)   |
| Cash payment on interest for work under construction                                      |       | (303,500,437)                    | (628,801,736)      | (302,669,611)                | (628,801,736)      |
| Cash payment on land purchased for future development projects                            |       | (368,000)                        | (48,000)           | -                            | -                  |
| Cash payment of refund to contribution  | 5.22  | (596,727,141)                    | (2,203,712)        | (596,727,141)                | (2,203,712)        |
| Cash receipts on deferred income  | 5.22  | 599,437,357                      | 535,075,201        | 599,437,357                  | 535,075,201        |
| Cash payment on investments in subsidiaries   |       | -                                | -                  | (170,000,000)                | (149,975,360)      |
| Cash payment on investments in associates   | b     | (357,062,040)                    | -                  | -                            | -                  |
| Cash payment on investments in jointly controlled entity                                  | c     | (978,726,250)                    | (265,195,705)      | (155,750,000)                | (78,750,000)       |
| Cash payment on business acquisition  | 11    | (6,188,676,466)                  | (138,406,752)      | -                            | -                  |
| Cash receipts on additional investment of subsidiary                                      |       | -                                | 69,975,385         | -                            | -                  |
| Cash receipts on interest   |       | 1,241,416,435                    | 704,012,903        | 712,029,054                  | 462,625,495        |
| Dividends received from associates  | 5.9   | 702,311,725                      | 702,311,725        | 702,311,725                  | 702,311,725        |
| Dividends received from subsidiary  | 5.9   | -                                | -                  | 1,468,125,000                | 1,468,125,000      |
| Dividends received from jointly controlled entities                                       |       | 822,949,810                      | 1,057,098,900      | -                            | -                  |
| Dividends received from other investments   |       | 60,062,640                       | -                  | -                            | -                  |
| Net cash outflows from investing activities   |       | (16,638,235,401)                 | (30,743,028,015)   | (6,870,353,169)              | (34,245,138,914)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |       |                                  |                    |                              |                    |
| Remittance to the Ministry of Finance   |       | (17,075,000,000)                 | (14,650,800,000)   | (17,075,000,000)             | (14,650,800,000)   |
| Cash receipts from short-term loans from financial institutions                           |       | 12,174,000,000                   | 5,380,000,000      | -                            | -                  |
| Cash payment of short-term loans from financial institutions                              |       | (12,174,000,000)                 | (8,380,000,000)    | -                            | (3,000,000,000)    |
| Cash receipts from long-term loans  |       | 20,731,644,364                   | 4,598,500,000      | -                            | 4,000,000,000      |
| Cash payment of long-term loans   |       | (37,499,268,250)                 | (15,166,099,923)   | (19,745,402,650)             | (11,707,125,123)   |
| Cash payment on interest  |       | (5,450,374,531)                  | (4,709,250,624)    | (3,759,600,801)              | (4,001,386,132)    |
| Cash payment on finance lease liabilities   |       | (1,331,036)                      | (1,130,639)        | -                            | -                  |
| Cash receipts on accrued common shares  |       | 23,625,000                       | -                  | -                            | -                  |
| Dividends payable to non-controlling interests of subsidiary                              |       | (1,794,375,000)                  | (1,794,375,000)    | -                            | -                  |
| Net cash inflows (outflows) from financing activities                                     |       | (41,065,079,453)                 | (34,723,156,186)   | (40,580,003,451)             | (29,359,311,255)   |
| <b>EFFECT FROM FOREIGN EXCHANGE RATE IN CASH AND CASH EQUIVALENTS</b>                     |       |                                  |                    |                              |                    |
|   |       | 72,542,689                       | (8,456,660)        | 14,032,118                   | (8,456,660)        |
| <b>EFFECT FROM REVALUATION IN INVESTMENTS OF CASH AND CASH EQUIVALENTS</b>                |       |                                  |                    |                              |                    |
|   |       | -                                | (243,077)          | -                            | (243,077)          |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                               |       | 3,469,213,569                    | (9,135,765,838)    | 4,378,453,845                | (16,576,930,568)   |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEARS</b>                            |       | 47,869,614,338                   | 57,005,380,176     | 36,158,753,679               | 52,735,684,247     |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEARS</b>                                  | 5.1   | 51,338,827,907                   | 47,869,614,338     | 40,537,207,524               | 36,158,753,679     |

Notes to the financial statements are an integral part of these financial statements.



**ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**Notes to the statements of cash flows**

**a. Property, Plant, Equipment, Work under Construction and Intangible Assets**

**Consolidated**

During the year 2011, EGAT and its subsidiaries purchased property, plant, equipment, work under construction and intangible assets which total costs are Baht 24,657.26 million comprising the assets of subsidiary purchased by finance lease method amounting to Baht 1.15 million and the remaining assets is in the amount of Baht 24,656.11 million. The purchasing were cash paid amounting to Baht 19,423.28 million and for the remaining unpaid amounting to Baht 4,964.18 million and Baht 268.65 million were accounts payable and other non-current liabilities respectively.

During the year 2010, EGAT and its subsidiaries purchased property, plant, equipment, work under construction and intangible assets which total costs are Baht 24,348.91 million comprising the assets of subsidiary purchased by finance lease method amounting to Baht 5.84 million and the remaining assets is in the amount of Baht 24,343.07 million. The purchasing were cash paid amounting to Baht 19,990.40 million and for the remaining unpaid amounting to Baht 4,352.67 million were accounts payable.

**Separate**

During the year 2011, EGAT purchased property, plant, equipment, work under construction and intangible assets which total costs are Baht 21,539.64 million. The purchasing were cash paid amounting to Baht 16,656.60 million and for the remaining unpaid amounting to Baht 4,883.04 million were accounts payable.

During the year 2010, EGAT purchased property, plant, equipment, work under construction and intangible assets which total costs are Baht 23,637.35 million. The purchasing were cash paid amounting to Baht 19,310.53 million and for the remaining unpaid amounting to Baht 4,326.82 million were accounts payable.

**b. Additional Payment for Ordinary Shares in the Associates**

**Consolidated**

During the year 2011, the subsidiary had additional paid for ordinary shares in associates amounting to Baht 357.06 million.



**c. Additional Payment for Ordinary Shares in the Jointly Controlled Entity****Consolidated**

During the year 2011, the subsidiary had additional investments in the jointly controlled entity amounting to Baht 978.73 million.

During the year 2010, the subsidiary had additional investments in the jointly controlled entity of subsidiaries and additional paid for ordinary shares amounting to Baht 373.70 million. However, there was changing of status of the jointly controlled entity to the subsidiary, so investments in the jointly controlled entity decreased of Baht 112.50 million. Besides, there was investment in others of subsidiaries reclassification to investment in jointly controlled entity amounting to Baht 4 million. Therefore, cash payment on investments in the jointly controlled entity for the years ended December 31, 2010 was Baht 265.20 million.

**Separate**

During the year 2011 and 2010, EGAT had additional investments in the jointly controlled entity amounting to Baht 155.75 million and Baht 78.75 million.

**Notes to the financial statements are an integral part of these financial statements.**



**ELECTRICITY GENERATING AUTHORITY OF THAILAND AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**1. General Information**

Electricity Generating Authority of Thailand (EGAT), which is a juristic person, was established by Electricity Generating Authority of Thailand Act, B.E. 2511 (1968) and subsequent amendments. EGAT's main business objectives are as follows:

**1.1** To generate, acquire, transmit or distribute electric energy to:

- The Metropolitan Electricity Authority (MEA), the Provincial Electricity Authority (PEA) or other electricity authorities under the law thereon;
- Other electric energy consumers as prescribed by a Royal Decree;
- Neighboring countries

**1.2** To undertake various activities concerning electric energy, energy sources deriving from natural resources and undertakes business concerning electric energy and other businesses concerning or related to the activities of EGAT, or collaborates with other persons for the said activities.

**1.3** To produce and sell lignite or any chemicals derived from lignite.

All of assets, liabilities, rights, obligations and businesses of the Yanhee Electricity Authority, the Lignite Authority and the Northeast Electricity Authority were transferred to EGAT. Total net assets (net of liabilities) were considered the capital of EGAT.

**2. Basis of Financial Statements Presentation**

**2.1 Principles of Financial Statements Preparation**

The consolidated financial statements and the separate financial statements have been prepared in accordance with generally accepted accounting principles under the Accounting Act, B.E. 2543 being those Thai accounting standards endorsed under the Accounting Profession Act, B.E. 2547, including interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP). EGAT has presented the financial statements in compliance with the notification of the Department of Business Development "Definition of the abbreviated components required in the financial statements, B.E.2554", dated September 28, B.E.2554, under the third paragraph of section 11 of the Accounting Act, B.E.2543.



These accounting principles may differ, in certain aspects, from generally accepted accounting principles used in other countries. So the financial statements were prepared, have not intend to present the financial position, the results of operations and cash flows in accordance with generally accepted accounting principles used in other countries. Consequently, the accompanying consolidated and the separate financial statements are prepared based on the assumption that users of these financial statements have an understanding of generally accepted accounting principles and practices used in Thailand.

The mentioned financial statements have been prepared under the historical cost convention, except explained otherwise as disclosed in Note 3.

The separate financial statements present the financial position and the results of operations of all EGAT's businesses, which include assets, liabilities and equity of Staff Aid Fund, Welfare Loan Fund, Land and Housing Loan Fund.

The consolidated financial statements include the EGAT's financial statements, its three subsidiaries and a jointly controlled entity over which EGAT has shared control. In the consolidated financial statements, the subsidiaries are recorded by sum up on a line-by-line basis with similar items beside the jointly controlled entity is accounted for by proportionate of EGAT. Significant inter-company transactions and balances are eliminated. Investments in subsidiaries, associated company and the jointly controlled entity have been presented in the separate financial statements under the cost method. Non-controlling interests are separately disclosed in equity. When materiality, accounting policies of its subsidiaries, an associated company, and a jointly controlled entity have been changed to ensure consistency with the accounting policies adopted by EGAT.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in the interpretation between the two languages, the financial statements in Thai language shall prevail.

## **2.2 Use of Estimates**

The consolidated and separate financial statements are prepared in conformity with generally accepted accounting principles in Thailand, which require management to make estimates and assumptions that affect the book value of assets and liabilities in the consolidated financial statements and the separate financial statements. Actual results may differ from those estimates and assumption.

## **2.3 New and Revised Thai Accounting Standards (TASs), Thai Financial Reporting Standards (TFRSs), Financial Reporting Interpretations, Interpretation and Framework**

During 2010 and 2011, The Federation of Accounting Professions (FAP) announced new and revised Accounting Standards, Financial Reporting Standards, Interpretation and Framework in the Royal Thai Government Gazette as follows:



**Effective on or after May 26, 2010**

- ◆ Framework (Revised 2009)

**Effective for accounting periods beginning on or after January 1, 2011**

- ◆ Thai Accounting Standard No.11 (Revised 2009) Construction Contracts
- ◆ Thai Accounting Standard No.16 (Revised 2009) Property, Plant and Equipment
- ◆ Thai Accounting Standard No.17 (Revised 2009) Leases
- ◆ Thai Accounting Standard No.18 (Revised 2009) Revenue
- ◆ Thai Accounting Standard No.19 Employee Benefits
- ◆ Thai Accounting Standard No.23 (Revised 2009) Borrowing Costs
- ◆ Thai Accounting Standard No.24 (Revised 2009) Related Party Disclosures
- ◆ Thai Accounting Standard No.26 Accounting and Reporting by Retirement Benefit Plans
- ◆ Thai Accounting Standard No.27 (Revised 2009) Consolidated and Separate Financial Statements
- ◆ Thai Accounting Standard No.28 (Revised 2009) Investments in Associates
- ◆ Thai Accounting Standard No.29 Financial Reporting in Hyperinflationary Economies
- ◆ Thai Accounting Standard No.31 (Revised 2009) Interests in Joint Ventures
- ◆ Thai Accounting Standard No.33 (Revised 2009) Earnings per Share
- ◆ Thai Accounting Standard No.34 (Revised 2009) Interim Financial Reporting
- ◆ Thai Accounting Standard No.36 (Revised 2009) Impairment of Assets
- ◆ Thai Accounting Standard No.37 (Revised 2009) Provisions, Contingent Liabilities and Contingent Assets
- ◆ Thai Accounting Standard No.38 (Revised 2009) Intangible Assets
- ◆ Thai Accounting Standard No.40 (Revised 2009) Investment Property
- ◆ Thai Financial Reporting Standard No.2 Share - based Payment
- ◆ Thai Financial Reporting Standard No.3 Business Combinations (Revised 2009)
- ◆ Thai Financial Reporting Standard No.5 Non-current Assets Held for Sale and Discontinued Operations (Revised 2009)
- ◆ Thai Financial Reporting Standard No. 6 Exploration for and Evaluation of Mineral Resources



- |   |   |
|---|---|
| ◆ Thai Financial Reporting Interpretation Committee No.15 | Agreements for the Construction of Real Estate              |
| ◆ Thai Standing Interpretations Committee No. 31          | Revenue - Barter Transactions Involving Advertising Service |

**Effective for accounting periods beginning on or after January 1, 2013**

- |   |   |
|---|---|
| ◆ Thai Accounting Standard No.12                | Income Taxes  |
| ◆ Thai Accounting Standard No.20 (Revised 2009) | Accounting for Government Grants and Disclosure of Government Assistance      |
| ◆ Thai Accounting Standard No.21 (Revised 2009) | The Effects of Changes in Foreign Exchange Rates                              |
| ◆ Thai Standing Interpretation Committee No.10  | Government Assistance - No Specific Relation to Operating Activities          |
| ◆ Thai Standing Interpretation Committee No.21  | Income Taxes - Recovery of Revalue Non - Depreciable Assets                   |
| ◆ Thai Standing Interpretation Committee No.25  | Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders |

EGAT adopted these new and revised accounting standards, financial reporting standards including interpretations and framework.

The adoption of these new and revised TFRSs, which is effective for accounting periods beginning on or after January 1, 2011, has resulted in changes in EGAT, subsidiaries, associated company and jointly controlled entity's accounting policies. The effects of these changes are disclosed in Note 4.

### **3. Significant Accounting Policies**

#### **3.1 Cash and Cash Equivalents**

Cash and cash equivalents include cash, cash in current accounts, saving accounts and short term fixed deposits (not more than 3 months) including promissory notes or bills of exchange with maturity of three months or less which EGAT has fully accessed without commitment.





### 3.2 Accounts Receivable

Accounts receivable are stated at net realizable value. The allowance for doubtful accounts is assessed by reference to the estimated losses arising from irrecoverable debts, exclusive of government agencies and state enterprises, which have been based on historical results of collection and the present events pertaining to accounts receivable at the end of period. According to the regulations of the Ministry of Finance regarding accounting and finance of state owned enterprise B.E. 2548, which amended the regulations of the Ministry of Finance regarding accounting and finance of state owned enterprise B.E. 2520, the allowance for doubtful accounts are stated as follows:

#### 3.2.1 Trade accounts receivable exclusive of government agencies and state enterprises

| Overdue Period         | Percentage of allowance<br>for doubtful accounts |
|------------------------|--|
| Over 6 months - 1 year | 50   |
| Over 1 year            | 100  |

**3.2.2 Other accounts receivable (exclude accrued revenues and prepaid expenses),** which the overdue period is over 1 year, the percentage of allowance for doubtful accounts is 100.

### 3.3 Materials and Supplies

**3.3.1 Fuel oil for power plant** is stated at the lower of moving average cost or net realizable value.

**3.3.2 Lignite** is stated at the lower of moving average cost or net realizable value.

**3.3.3 Spare parts for power plant and mine equipment** are stated at moving average cost less allowance for obsolescence of stocks designed to write off the parts on a straight - line method over the useful lives of the main equipment.

Spare parts for power plant under materials and supplies-net item are namely the spare parts and equipment which are used in maintenance power plants. The portion of main spare parts and equipment for power plants, which has useful life over 1 year, is stated in equipment for power plants under property, plant and equipment item.

Spare parts for mine equipment are namely component, spare parts and supplies for mine equipment maintenance such as spare parts for 85 ton truck, spare parts for excavator and spare parts for engine belt system. However, large-sized reserved spare parts for mine equipment, which has useful life over 1 year, is stated in large-sized spare parts for mine equipment under property, plant and equipment item.



**3.3.4 General materials and supplies** are stated at moving average cost less allowance for obsolescence of stocks designed, which have not moved for six months and above. The allowance is calculated at the following rates:

| <b>No movement within</b> | <b>Percentage of allowance for<br/>obsolescence of stocks</b> |
|---------------------------|---|
| 6 -18 months              | 10  |
| Over 18 - 30 months       | 30  |
| Over 30 - 48 months       | 50  |
| Over 48 - 60 months       | 75  |
| Over 60 months            | 100   |

General materials and supplies consist of fuel oil for vehicle and machine, general spare parts and office suppliers for operation.

### **3.4 Derivative Assets and Derivative Liabilities**

Derivatives have initial realized based on the fair value at the statements of financial position date. Gains or losses from the change of fair value are realized in statements of income of that period.

At the statements of financial position date, the fair value of forward foreign exchange contracts, cross currency and interest rate swap contracts, currency swap contracts and interest rate swap contracts are calculated by financial institutions, which are the contractor of EGAT.

### **3.5 Investments in Associates, Subsidiaries and Jointly Controlled Entities**

#### **3.5.1 Investments in associates**

Investments in associates of EGAT have been presented in the separate financial statements under the cost method. Investments in associates of EGAT and its subsidiaries have been presented in the consolidated financial statements under the equity method.

A list of associates of EGAT and its subsidiaries is set out in Note 5.9.1 and 5.9.2.

#### **3.5.2 Investments in subsidiaries**

Investments in subsidiaries of EGAT have been presented in the separate financial statements under the cost method. Investments in subsidiaries of EGAT and its subsidiaries have been eliminated together with the equity interests in the consolidated financial statements preparation.



A list of subsidiaries of EGAT and its subsidiaries is set out in Note 5.9.1 and 5.9.2.

Due to EGAT owned Ratchaburi Electricity Generating Holding Public Company Limited (RATCH) and EGAT Diamond Service Co., Ltd., only 45% of the total fully paid-up common share but EGAT has effective control over so that they are subsidiaries of EGAT according to generally accepted accounting principles, which must prepared the consolidated financial statements. According to the Budgeting Law, EGAT has to own over 50% then, they can be the state enterprise.

### **3.5.3 Investments in jointly controlled entities**

Investments in jointly controlled entities of EGAT have been eliminated together with the equity interests in the consolidated financial statements preparation while investments in jointly controlled entities of subsidiaries have been presented in the consolidated financial statements under the equity method.

A list of jointly controlled entities of EGAT and its subsidiaries is set out in Note 5.9.1 and 5.9.2.

## **3.6 Investments in financial securities**

Investments in financial securities of EGAT comprise of held-to-maturity investments and available-for-sale securities investments.

**3.6.1** Held-to-maturity investments are investments with maturity period. EGAT intends and be able to held to maturity date. It has been included in the current assets and disclosed in cash and cash equivalents and temporary investments in the case of the maturity date of investments is more than 3 months but not more than 1 year.

Held-to-maturity investments are stated in the statements of financial position at amortized cost less impairment loss of investments. The difference between purchased prices and maturity value will be amortized using the effective rate of interest method over the remaining useful life of the investments.

**3.6.2** Available-for-sale securities investments are investments held with no identifiable time and may sell for adding liquidity or when interests rate change. It has been included in the current assets and disclosed in cash and cash equivalents and temporary investments in the case of the maturity date of investments is more than 3 months but not more than 1 year.

Available-for-sale securities investments are stated at fair value. Unrealized gain (loss) from value changes is recognized separately in the equity. When there is sales of available-for-sale securities investments, accumulated changes in fair value is recognized in the statements of income and discloses in gain (loss) from sales of investments.



Investments in financial securities of EGAT is in compliance with the regulations of the Ministry of Finance about Accounting and Finance of state owned enterprise, B.E.2548 section 2 which require the state owned enterprises who want to manage liquidity may elect to invest in short-term financial instruments issued by the Ministry of Finance or government financial institutions.

### 3.7 Property, Plant and Equipment

Property, Plant and equipment are stated at cost on the date of acquisition or completion of construction less accumulated depreciation.

Depreciation is calculated on the straight - line method in order to reduce the book value of each type of assets over the estimated useful lives with scrap value of one Baht except the land which has infinite useful lives.

The estimates of useful lives of EGAT's assets are as follows:

|  | Years            |            |
|--|------------------|------------|
| Structures                                 | 3 years          | - 40 years |
| Reservoirs and dams                        | 6 years 8 months | - 75 years |
| Power plants                               | 5 years          | - 30 years |
| Equipment for power plants                 | 6 years 3 months | - 25 years |
| Control system                             | 3 years          | - 25 years |
| Transmission system                        | 3 years          | - 40 years |
| Communication system                       | 5 years          | - 25 years |
| Coal handling system                       | 10 years         | - 25 years |
| Machinery                                  | 5 years          | - 10 years |
| Large-sized spare parts for mine equipment | 8 years          |            |
| Vehicles                                   | 5 years          | - 12 years |
| Other materials and supplies               | 3 years          | - 10 years |

The estimate of useful lives for power plants of subsidiaries is stated according to the power purchasing agreement.



Depreciation of the Srinagarind, Bang Lang, Vajiralongkorn, Rajjaprabha and Pak Mun dams are included in the statements of income only to the extent that they relate to power generation. The remaining portion relating to irrigation is deducted from capital contribution for supporting construction of those dams.

When the asset was disposed, EGAT recorded to write off the asset with accumulated depreciation and recognized gain or loss on disposal of asset in the statements of income.

The cost of major inspection was recognized as the part of property, plant and equipment and was amortized according to the expected useful lives. The estimate useful lives of major inspection fee under type of major inspection fee and power plants are as follows:

| <u>Type of Power Plants</u>   | <u>Type of Major Inspection Fee</u> |                              |
|-------------------------------|-------------------------------------|------------------------------|
|                               | <u>Major Overhaul : MO</u>          | <u>Minor Inspection : MI</u> |
|                               | <u>Useful lives (Year)</u>          | <u>Useful lives (Year)</u>   |
| - Hydro Power Plants          | 6 - 12                              | 2 - 4                        |
| - Thermal Power Plants        | 4 - 6                               | 2                            |
| - Combined Cycle Power Plants | 2 - 6                               | 2 - 3                        |
| - Gas Turbine Power Plants    | 4 - 8                               | 1 - 4                        |
| - Lignite Power Plants        | 8                                   | 2                            |

Besides, cost of power plants commissioning after deduction of revenue from electric energy during power plants commissioning are recorded as the part of property, plant and equipment in work under construction item.

### 3.8 Assets and Liabilities under Finance Lease Agreements

Assets and liabilities under finance lease agreements are stated at the lower of fair values at inception or present values of the minimum lease payments less accumulated depreciation. A portion of lease payments is recognized as financial expenses and the remainder is deducted from the principle over the lease periods. Depreciations of those leased assets are calculated on the straight - line method over the estimated useful lives of each type of assets. In case the ownership of the assets is not transferred to the lessee at the end of the lease periods, depreciations are based on the shorter of the useful lives of the assets or the lease period.



### **3.9 Intangible Assets**

#### **3.9.1 Land rights**

The land rights under transmission line have infinite useful lives because its future economic benefit is uncertain. Other land rights, which can be expected their useful lives, will be amortized according to the certain useful lives.

#### **3.9.2 Computer software rights and software license**

Computer software rights of EGAT are amortized as expenses over the expected useful lives not more than 5 years, which are revised the amortization method and the useful lives in every accounting period. The software license is amortized as expenses over the expected useful lives in 5-10 years.

#### **3.9.3 Royalty on state property service**

In 1990, with the approval of the Ministry of Finance, EGAT has been entitled to use the Sirikit dam and surrounding area without charge and recognized cost of dam in portion that use for generating electric power and surplus from Royalty on State Property Service at Baht 474.77 million as a Royalty on State Property Service account. The accumulated depreciation of Baht 100.86 million is recognized as expenses and written off from the Royalty on State Property Service. The balance of Baht 373.91 million is being amortized over 59 years, which is the remainder estimated useful lives of the dam.

#### **3.9.4 Gas piped system rights**

Gas piped system rights are amortized based on a straight - line method over the expected useful lives in 20 years.

#### **3.9.5 Transmission system connection rights**

Transmission system connection rights are amortized based on a straight - line method over the expected useful lives in 8 years.

#### **3.9.6 Project development rights**

The incurred costs on development projects are recognized as intangible assets when there are obvious possibilities that the projects will be success. The cost on development projects that has been capitalized is amortized from commencement of the commercial operation based on a straight - line method over the period of its expected benefit.



### 3.10 Goodwill

Goodwill represents the excess of the cost of acquisition of the group of subsidiaries over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary, jointly controlled entity or associated company at the acquisition date.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment. The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, when indicators of impairment are identified.

### 3.11 Deferred Charges of the Lignite Mine

#### 3.11.1 Overburden removal costs

The costs of overburden removal expended in each year are calculated by multiply the quantity of lignite extracted from the mine by the stripping ratio of 6.09:1, which is the ratio of the overburden bears to the total economically mineral reserves, and multiply by the average cost per cubic metre of overburden removed. In case the actual stripping ratio in each period is more than 6.09, the excess is recorded as the deferred charges. However, the accumulated of overburden removal costs is not more than the deferred charges.

#### 3.11.2 Minerals resource exploration and preliminary development costs

Minerals resource exploration and preliminary development costs are recognized as expenses for the year in which they are incurred. Any exploration done as a part of a power development plan and long - term mining plan, are recognized as deferred charges and amortized in the proportion that the quantity of lignite extracted during the year bears to the total economically mineable reserves.

#### 3.11.3 Resettlement costs

Resettlement costs expended in each year are calculated by dividing the total actual resettlement costs by the total lignite mineable reserves over the useful lives of the power plants multiplied by the quantity of lignite extracted during the year. The resettlement costs in areas, which are not mined for lignite, will be recognized as expense in the period as incurred.

#### 3.11.4 Mineral patent costs

Mineral patent costs paid as an extra to the government are calculated by 0.1% of the total mineral value, each of them has value exceeding Baht 50 million. Mineral fields with lesser value are exempted from such patent costs.



Each patent is granted a period of 25 years. Mineral patent costs are recognized as deferred charges and amortized over the period of patent.

### 3.12 Foreign Currency

Foreign currency transactions are translated into Thai Baht using the Bank of Thailand's reference exchange rate prevailing at the transaction date. Assets and liabilities dominated in foreign currency are translated into Thai Baht using the exchange rate at the end of accounting period. Gains or losses on foreign exchange are recognized as either revenues or expenses for all amounts in that accounting period.

### 3.13 Employee Benefit Obligations

Employee Benefit Obligations of EGAT, subsidiaries and jointly controlled entities were measured and recognized as follows:

1. Short-term employee benefits are recognized as expenses in profit and loss when incurred. However, short-term employee benefits in case of leave with accumulated compensation are recognized when the services are rendered.

2. Post-employee benefits - defined contribution plans

EGAT, subsidiaries and jointly controlled entity have jointly established a provident fund. The fund is monthly contributed by employees, EGAT, subsidiaries and jointly controlled entity. The fund's assets are held in a separate trust fund and the contributions are recognized as expenses when incurred.

3. Post-employee benefits - defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques, using the project unit credit method, in order to determine present value of the obligation, current service cost and past service cost. These are recognized as a liability in statements of financial position and expenses in profit and loss.

In case of EGAT has the differences between actual employee benefits paid and actuarial estimated, EGAT will not recognized the differences until there is assumptions revision in accordance with actuarial, which revised every 3 years and EGAT will recognize in statements of comprehensive income.

4. Other long - term employee benefits

The obligation under the defined benefit plan is determined based on actuarial techniques, using the project unit credit method, in order to determine present value of the obligation, current service cost and past service cost. These are recognized as a liability in statements of financial position and expenses in profit and loss.





In case of EGAT has the differences between actual employee benefits paid and actuarial estimated, EGAT will not recognize the differences until there is assumptions revision in accordance with actuarial, which revised every 3 years and EGAT will recognize in statements of comprehensive income.

### **3.14 Provision Liabilities for Mine Reclamation**

EGAT established provision liabilities for mine reclamation at the lignite mine in Mae Moh District, Lampang Province, which will arise in the future. According to the Mining Act, EGAT is obliged to carry out reclamation work when the mine is closed and because of the certainty of its occurrence amounts set aside for this work are recognized as provisions. Such provisions are recognized as expense in EGAT's statements of income and are calculated by taking that proportion of the total estimated cost of reclamation work that the quantity of lignite extracted during the year bears to the total economically mineable reserves. The actual cost is deducted from provision liabilities.

For the year 2010, EGAT revised mine reclamation master plan at Mae Moh district, Lampang province. It had been lead to change in rate of provision of liabilities for mine reclamation at Mae Moh from Baht 6.07 per a ton of coal to Baht 7.61 per a ton of coal since January 1, 2011, which are stated in Note 4.6.

### **3.15 Staff AID Fund and Provident Fund**

EGAT has established the Staff AID Fund to provide welfare for employees after leaving EGAT. EGAT contributes to the fund on a monthly basis at the rate of 10% of salaries of its employees being the fund's members. Contributions are recognized as expense in EGAT's statements of income in full amount and the accounting transactions of the fund have been consolidated in EGAT's financial statements. Interest earned from the assets of the fund is recognized as revenue in EGAT's statements of income.

On January 1, 1995, EGAT has set up the Provident Fund in accordance with the Provident Fund Act, B.E. 2530, which the Ministry of finance prescribed the policy that the state owned enterprises contribute to the Provident Fund on a monthly basis at the rate of 9% of salaries of employees with less than 20 years of service, and 11% of salaries of employees with 20 years of service and above. The employees have the privilege to contribute to the Fund at the minimum rate of 3% of salaries but not more than the combined rate that EGAT contributes to the Fund.

Subsequently on July 23, 2008, the Ministry of Finance approved of the additional adjustment of the combined rate to the Provident Fund of employees as follows:



1. Contributes at the rate of 9% of salaries of employees with less than or equal 10 years of service.
2. Contributes at the rate of 10% of salaries of employees with more than 10 years of service but less than 20 years of service.
3. Contributes at the rate of 11% of salaries of employees with more than 20 years of service.

So EGAT had adjusted the combined rate since henceforward August 2008.

### **3.16 Deferred Income**

#### **3.16.1 Contributions for construction**

In case cash contributions received from EGAT's direct customers towards project construction, after completion of the project, assets will be owned by EGAT, are accounted for as deferred contributions and released to revenues over the useful lives of the related assets.

In case cash contributions received from independent power producers towards project construction, after completion of the project, assets will be owned by EGAT, are accounted for as deferred contributions and released to revenues over the period of the power purchase contracts.

In the event that independent power producers operate construction and assets of the project are transferred to EGAT after completion, those assets are accounted for as EGAT's assets and matched with deferred contributions which are released to revenues over the period of the power purchase contracts.

#### **3.16.2 Income from donation**

Income from donation, which is assets or cash received from governments and foreign financial institutions in forms of discount of interest or grants to be used for project development of EGAT as identified by donors, is recorded as deferred income under liabilities. Deferred income is recognized as revenue over the useful lives of fixed assets or, in case of cash from donation is recognized according to actual expenditures incurred.

### **3.17 Revenue from Electric Energy Sales**

Revenue from electric energy sales is recognized according to metered delivery units at the selling point under the power purchase agreement. Revenue from automatic tariff adjustment (Ft) is recognized according to the occurred Ft revenue in that period which comprised of the actual collected Ft revenue in accordance with the approval of the Energy Regulatory Commission and recognized the accrued Ft revenue or unearned Ft revenue, which came from the difference of the calculated Ft price under the formula Ft with the collected Ft price in that period.



### **3.18 Revenue from Sales of Other Goods and Services**

**3.18.1** Revenue from sales of other goods other than the revenue from electric energy sales comprise of the revenue from fuel providing to affiliates of EGAT and revenue from sales of other goods such as Hydrogen gas, distilled water, chemicals and by products from generating electricity. It is recognized as income upon the delivery of products and when the significant risks and rewards of ownership are transferred to the customers.

**3.18.2** Revenue from services comprise of revenue from running the machinery and power plant maintenance services, communications system and telecommunication services, etc. It is recognized as income by percentage of completion method at the balance sheet date.

### **3.19 Interest Income**

Interest income is recognized on a proportional basis according to the time and rate of return on assets.

### **3.20 Borrowing Costs**

Borrowing costs include interest expenses, commitment charges and other expenses on long term borrowings. Interest expenses of long term borrowings for acquisition of non - current assets that are work under construction period are recognized as capitalized, while after the completion of construction period are recognized as expenses. Interest expenses on borrowings for working capital are recognized as expenses in the period they incurred.

### **3.21 Related Parties**

Related parties refer to individuals or enterprises, that directly or indirectly control, or are controlled by EGAT or are under common control, including subsidiaries and fellow subsidiaries. Besides, related parties refer to individuals or enterprises, including associated company and shareholder which have directly or indirectly vote and significant influence to EGAT, directors, management or employees of the EGAT.

Directors' remunerations comprised of meeting remunerations and bonuses. Management who has significant influence's remunerations comprised of short-term benefits are salaries, bonuses, other short-term employee benefits, post-employee benefits and other long-term employee benefits.

In considering each possible related parties relationship, EGAT attends to the substance of the relationship and not merely the legal form.



### 3.22 Financial Instruments

Financial assets presented in the financial statements include cash and cash equivalents, temporary investments, trade accounts receivable - others - net, and trade accounts receivable - related parties. Financial liabilities presented in the financial statements include trade accounts payable - others, trade accounts payable - related parties, other accounts payable and loans. The accounting policies applied to those particular items are separately disclosed in the individual policy statements associated with them.

EGAT uses the financial instruments to mitigate foreign currency risk and fluctuations in interest rate. The main derivative financial instruments consisted of forward foreign exchange contracts and cross currency and interest rate swap agreements.

#### Forward foreign exchange contracts

The forward foreign exchange contracts are financial instruments to protect against the risk of exchange rate fluctuations, are agreements enabling EGAT to buy a specific amount of foreign currency at a pre-agreed rate on a fixed future time. The forward foreign exchange contracts are not recognized in the financial statements at agreement date but gains or losses will be recognized in the statements of income on any due dated as specified in the contracts.

#### Cross currency and interest rate swap agreements

The cross currency and interest rate swap agreements are financial instruments to protect against the risk of fluctuations in foreign exchange rate and interest rate associated with foreign currency borrowings. The swap agreements are not recognized in the financial statements at agreement date but the differential will be recognized in the statements of income on any due dated as specified in the contracts.

### 3.23 Capital Risk Management

The subsidiary's objectives of capital management are to safeguard the subsidiary's ability to provide returns for shareholders, to be beneficial for other stakeholders and to maintain proper capital structure to reduce the cost of capital.



#### 4. Changes in Accounting Policies

##### 4.1 Overview

From January 1, 2011, consequent to the adoption of new and revised TFRSs as set out in note 2.3, EGAT, subsidiaries and jointly controlled entities have changed their accounting policies regarding Presentation of Financial Statements, Accounting for Employee Benefits and Income Taxes. Besides, associates have changed their accounting policies regarding Accounting for Property, Plant and Equipment and Accounting for Investment Properties.

Details of the new accounting policies adopted by EGAT, subsidiaries, associated company and have the impact of the changes on the financial statements which are included in notes 4.2 to 4.5 below. The impact of the changes on the 2010 financial statements is summarized as follows:

|  | Unit : Million Baht              |                              |
|--|----------------------------------|------------------------------|
|  | Consolidated financial statement | Separate financial statement |
| <b>Statement of financial position</b>                         |                                  |                              |
| Equity at January 1, 2010 - as reported                        | 275,510.79                       | 230,868.46                   |
| Changes as a result of the adoption retrospectively of :       |                                  |                              |
| Thai Accounting Standard No.19 - Employee Benefits             |                                  |                              |
| Short - term benefit   | (6.40)                           | -                            |
| Long - term benefits   | (11,414.13)                      | (11,413.87)                  |
| Thai Accounting Standard No.12 - Income Taxes                  | 130.05                           | -                            |
| Thai Accounting Standard No.16 - Property, Plant and Equipment |                                  |                              |
| and No.40 - Investment Property                                | 127.36                           | -                            |
| <b>Equity at January 1, 2010 - restated</b>                    | <b>264,347.67</b>                | <b>219,454.59</b>            |



|  | Unit : Million Baht              |                              |
|--|----------------------------------|------------------------------|
|  | Consolidated financial statement | Separate financial statement |
| Equity at December 31, 2010 - as reported  | 296,233.97                       | 248,295.53                   |
| Changes as a result of the adoption retrospectively of :                                       |                                  |                              |
| Thai Accounting Standard No.19 - Employee Benefits   |                                  |                              |
| Short - term benefit   | (6.27)                           | -                            |
| Long - term benefits   | (11,818.68)                      | (11,818.35)                  |
| Thai Accounting Standard No.12 - Income Taxes  | 135.41                           | -                            |
| Thai Accounting Standard No.16 - Property, Plant and Equipment and No.40 - Investment Property | 129.98                           | -                            |
| <b>Equity at December 31, 2010 - restated</b>  | <b>284,674.41</b>                | <b>236,477.18</b>            |
| Changes as a result of the adoption prospectively of :   |                                  |                              |
| Thai Accounting Standard No.19 - Employee Benefits   |                                  |                              |
| Long - term benefits   | (65.71)                          | -                            |
| Thai Accounting Standard No.12 - Income Taxes  | 19.71                            | -                            |
| <b>Equity at January 1, 2011 - restated</b>  | <b>284,628.41</b>                | <b>236,477.18</b>            |

|  | Unit : Million Baht              |                              |
|--|----------------------------------|------------------------------|
|  | Consolidated financial statement | Separate financial statement |
| <b>Statement of income for the year ended December 31, 2010</b>                                |                                  |                              |
| Income before income tax - as reported   | 41,487.20                        | 35,182.02                    |
| Changes before tax as a result of the adoption retrospectively of :                            |                                  |                              |
| Thai Accounting Standard No.19 - Employee Benefits   |                                  |                              |
| Employee benefit expenses from the change in accounting policy                                 |                                  |                              |
| Short - term benefit   | 0.13                             | -                            |
| Long - term benefits   | (944.36)                         | (944.29)                     |
| Actual expenses which are recognized before the change in accounting policy                    | 539.81                           | 539.81                       |
| Thai Accounting Standard No.16 - Property, Plant and Equipment and No.40 - Investment Property | 2.62                             | -                            |
| <b>Income before income tax - restated</b>   | <b>41,085.40</b>                 | <b>34,777.54</b>             |
| Income tax expense - as reported   | (1,271.91)                       | -                            |
| Changes to income tax expense as a result of the adoption retrospectively of :                 |                                  |                              |
| Thai Accounting Standard No.19 - Employee Benefits   |                                  |                              |
| Short - term benefit   | (0.02)                           | -                            |
| Thai Accounting Standard No.12 - Income Taxes  | 5.38                             | -                            |
| <b>Income tax expense - restated</b>   | <b>(1,266.55)</b>                | <b>-</b>                     |
| <b>Net income for the period - restated</b>  | <b>39,818.85</b>                 | <b>34,777.54</b>             |

## 4.2 Presentation of Financial Statements

From January 1, 2011, EGAT has applied Thai Accounting Standard No.1 - Presentation of Financial Statements (revised 2009). Under the revised standard, a set of financial statements comprises :

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

As a result, EGAT, subsidiaries and jointly controlled entity present owner changes in equity from all transactions with the owners in the statement of changes in equity and present the changes in equity which are not from transactions with the owners in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

## 4.3 Employee Benefits

From January 1, 2011, EGAT, subsidiaries and jointly controlled entity have applied Thai Accounting Standard No.19 - Employee Benefits. Under the new policy, EGAT's obligation in respect of post-employment benefits, other long-term benefits, is recognized in the financial statements based on calculations performed by a qualified actuary using the projected unit credit method. Previously, before this standard adaptation, EGAT recognized expenses and liabilities about post-employment benefits and other long-term benefits when retirement and payment were due respectively.

The change in this accounting policy - Employee Benefits has been applied retrospectively and EGAT, subsidiaries and jointly controlled entity's 2010 financial statements have been restated for comparative purposes of EGAT and its subsidiaries' 2011 financial statements. However, one of the subsidiaries used retrospective method with 2010 financial statements for short-term employee benefits obligation which is reserved unused leave. While long-term post-employment benefits are legal severance pay. EGAT recognized liabilities as retained earnings adjustment at January 1, 2011. Besides, other one of the subsidiaries recognized all of employee benefits obligations as expenses in the year 2011.

Details of employee benefits obligations are disclosed in Note 5.20.

## 4.4 Accounting for Income Taxes

One of subsidiaries has applied Thai Accounting Standard No.12 - Income Taxes. The change in accounting policy has been applied retrospectively and 2010 financial statements have been restated for comparative purposes of 2011 financial statements.



#### 4.5 Accounting for Property, Plant and Equipment and Investment Properties

From January 1, 2011, the associated company has changed accounting policies which formerly comply with Thai Accounting Standard No.16 - Property, Plant and Equipment (Revised 2009) regarding estimate of the residual value of the power plant and estimate of liabilities of asset dismantlement and Thai Accounting Standard No.40 - Investment Properties. The associated company has been applied retrospectively. However, those retrospectively transactions have no impact on taxes and other statement of comprehensive income.

#### 4.6 Changes in Accounting Estimates

As EGAT set provision of liabilities for lignite mine reclamation which will occur in the future at Mae Moh district, Lampang province, that calculated from estimated mine reclamation expense of the project divided by quantity of lignite expected to get throughout the life of the power plant and multiplied by quantity of lignite get in each period. Actual expenses will deduct with the provision of liabilities.

For the year 2010, EGAT revised mine reclamation master plan at Mae Moh district, Lampang province. EGAT considered that recreation place and golf course around Mae Moh mine are in the same place with mine reclamation. Therefore, EGAT increased estimated expenses about maintenance recreation place and golf course around Mae Moh mine in provision of liabilities for mine reclamation at Mae Moh. It had been lead to change in rate of provision of liabilities for mine reclamation at Mae Moh from Baht 6.07 per a ton of coal to Baht 7.61 per a ton of coal since January 1, 2011. However, actual expenses after deduct revenue from services in each period will be deducted from provision of liabilities for mine reclamation, but before the year 2011, actual expenses will be recognized as cost of lignite produced in the period instantly.

This change in accounting estimates was the cause of increasing in provision liabilities for mine reclamation as at December 31, 2011 in the amount of Baht 22.73 million. Besides, lignite reserves and cost of coal transferred to power plant that was in a part of fuels in power generating for the year ended December 31, 2011 increased in Baht 3.41 million and Baht 19.32 million respectively. This was lead to decreasing in net income of EGAT in the amount of Baht 19.32 million.





## 5. Supplementary Information

### 5.1 Cash and Cash Equivalents

|   | Unit : Million Baht              |                  |                              |                  |
|---|----------------------------------|------------------|------------------------------|------------------|
|   | Consolidated financial statement |                  | Separate financial statement |                  |
|   | Dec 31, 11                       | Dec 31, 10       | Dec 31, 11                   | Dec 31, 10       |
| Cash on hand                              | 6.38                             | 5.77             | 5.82                         | 5.39             |
| Cash in banks current and saving accounts | 31,003.80                        | 20,315.98        | 25,531.39                    | 16,026.71        |
| Fixed deposits not more than 3 months     | 48.65                            | 120.02           | -                            | 18.39            |
| Receipts of fixed deposits                | 2,310.00                         | 1,100.00         | -                            | -                |
| Bills of exchange                         | 2,970.00                         | 6,219.58         | -                            | -                |
| Bonds not more than 3 months              | 15,000.00                        | 20,108.26        | 15,000.00                    | 20,108.26        |
| <b>Total</b>                              | <b>51,338.83</b>                 | <b>47,869.61</b> | <b>40,537.21</b>             | <b>36,158.75</b> |

Bonds not more than 3 months which is held-to-maturity investments as at December 31, 2011 and 2010 were Baht 15,000 million and Baht 20,108.26 million respectively.

### 5.2 Temporary Investments

|                                   | Unit : Million Baht              |                  |                              |                  |
|-----------------------------------|----------------------------------|------------------|------------------------------|------------------|
|                                   | Consolidated financial statement |                  | Separate financial statement |                  |
|                                   | Dec 31, 11                       | Dec 31, 10       | Dec 31, 11                   | Dec 31, 10       |
| Fixed deposits more than 3 months |                                  |                  |                              |                  |
| but not more than 12 months       | 10,242.01                        | 100.47           | 10,080.73                    | 100.47           |
| Receipts of fixed deposits        | 2,000.00                         | 1,500.00         | -                            | -                |
| Bills of exchange                 | 890.00                           | 1,000.00         | -                            | -                |
| Debenture                         | 150.00                           | 101.39           | -                            | -                |
| Bonds more than 3 months          | -                                | 17,369.26        | -                            | 17,369.26        |
| <b>Total</b>                      | <b>13,282.01</b>                 | <b>20,071.12</b> | <b>10,080.73</b>             | <b>17,469.73</b> |



Fixed deposits more than 3 months but not more than 12 months in the amount of Baht 50 million, which is six-months fixed deposits of one of the subsidiary, is guarantee for Vietnam Oil and Gas Group (PetroVietnam) in the Vung Ang 1 Power Plant Project.

Bonds more than 3 months as at December 31, 2011 had no balance and as at December 31, 2010, it was held-to-maturity investments and available-for-sale securities in the amount of Baht 12,429.04 million and Baht 4,940.22 million respectively.

Temporary investments of EGAT are investment in bonds and fixed deposits more than 3 months but not more than 12 months. EGAT has followed to the regulations of the Ministry of Finance regarding accounting and finance of state owned enterprise B.E. 2548 section 2 of finance which defined state owned enterprise to deposit its money with commercial banks that also are state owned following to the budgeting law. If there is remaining liquidity or desire to manage remaining liquidity to gain higher reward than deposit with state owned banks following to the budgeting law of state owned enterprise, it is possible to invest in short term financial instruments issued by the Ministry of Finance or financial institutions of government.

### 5.3 Trade Accounts Receivable - Other

|   | Unit : Million Baht              |            |                              |            |
|---|----------------------------------|------------|------------------------------|------------|
|   | Consolidated financial statement |            | Separate financial statement |            |
|   | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Receivable from electric energy sales         |                                  |            |                              |            |
| Metropolitan Electricity Authority            | 10,921.32                        | 11,367.35  | 10,921.32                    | 11,367.35  |
| Provincial Electricity Authority              | 22,470.80                        | 23,303.82  | 22,470.80                    | 23,303.82  |
| Others  | 2,753.99                         | 1,807.83   | 2,724.77                     | 1,779.91   |
|   | 36,146.11                        | 36,479.00  | 36,116.89                    | 36,451.08  |
| Services and others receivable                | 462.11                           | 154.29     | 117.00                       | 132.49     |
| Total   | 36,608.22                        | 36,633.29  | 36,233.89                    | 36,583.57  |
| <b>Less : Allowance for doubtful accounts</b> | (49.23)                          | (49.87)    | (49.23)                      | (49.87)    |
| Balance                                       | 36,558.99                        | 36,583.42  | 36,184.66                    | 36,533.70  |



Trade accounts receivable - others can be analyzed by categories and outstanding period as follows:

| Consolidated financial statement       |   |                    |                   |                    |              |                    |            | Unit : Million Baht |
|--|---|--------------------|-------------------|--------------------|--------------|--------------------|------------|---------------------|
| Outstanding period                     | State enterprise and governments agencies |                    | Private companies |                    | Total        |                    |            |                     |
|  | Electric                                  |                    | Electric          |                    | Electric     |                    |            |                     |
|  | energy sales                              | Service and others | energy sales      | Service and others | energy sales | Service and others | Dec 31, 11 |                     |
|  |   |                    |                   |                    |              |                    | Dec 31, 10 |                     |
| Undue portion                          | 33,593.71                                 | 7.33               | 937.37            | 399.43             | 34,531.08    | 406.76             | 34,937.84  | 34,971.80           |
| Overdue not more than 6 months         | 1,497.06                                  | 0.09               | 117.96            | 3.30               | 1,615.02     | 3.39               | 1,618.41   | 1,608.77            |
| Overdue more than 6 months to 1 year   | -   | -                  | -                 | 0.10               | -            | 0.10               | 0.10       | 0.18                |
| Overdue more than 1 year               | -   | -                  | 0.01              | 51.86              | 0.01         | 51.86              | 51.87      | 52.54               |
| Total                                  | 35,090.77                                 | 7.42               | 1,055.34          | 454.69             | 36,146.11    | 462.11             | 36,608.22  | 36,633.29           |
| Less : Allowance for doubtful accounts | -   | -                  | (0.01)            | (49.22)            | (0.01)       | (49.22)            | (49.23)    | (49.87)             |
| Balance                                | 35,090.77                                 | 7.42               | 1,055.33          | 405.47             | 36,146.10    | 412.89             | 36,558.99  | 36,583.42           |

Trade accounts receivable - others can be analyzed by categories and outstanding period as follows:

|  |  | Separate financial statement              |                    |                   |                    |              |                    | Unit : Million Baht |            |
|--|--|---|--------------------|-------------------|--------------------|--------------|--------------------|---------------------|------------|
|  |  | State enterprise and governments agencies |                    | Private companies |                    | Total        |                    |                     |            |
| Outstanding period                     |  | Electric                                  | Service and others | Electric          | Service and others | Electric     | Service and others | Dec 31, 11          | Dec 31, 10 |
|  |  | energy sales                              |                    | energy sales      |                    | energy sales |                    |                     |            |
| Undue portion                          |  | 33,593.71                                 | 7.33               | 908.15            | 54.32              | 34,501.86    | 61.65              | 34,563.51           | 34,922.08  |
| Overdue not more than 6 months         |  | 1,497.06                                  | 0.09               | 117.96            | 3.30               | 1,615.02     | 3.39               | 1,618.41            | 1,608.77   |
| Overdue more than 6 months to 1 year   |  | -   | -                  | -                 | 0.10               | -            | 0.10               | 0.10                | 0.18       |
| Overdue more than 1 year               |  | -   | -                  | 0.01              | 51.86              | 0.01         | 51.86              | 51.87               | 52.54      |
| Total                                  |  | 35,090.77                                 | 7.42               | 1,026.12          | 109.58             | 36,116.89    | 117.00             | 36,233.89           | 36,583.57  |
| Less : Allowance for doubtful accounts |  | -   | -                  | (0.01)            | (49.22)            | (0.01)       | (49.22)            | (49.23)             | (49.87)    |
| Balance                                |  | 35,090.77                                 | 7.42               | 1,026.11          | 60.36              | 36,116.88    | 67.78              | 36,184.66           | 36,533.70  |



#### 5.4 Related Parties Transactions

The companies that have transactions with EGAT as at December 31, 2011 are as follows:

| Company   | Country of<br>Incorporation/<br>Nationality | Relationship   |
|---|---|--|
| EGAT International Co., Ltd.                      | Thailand                                    | Subsidiary, EGAT has 99.99% shareholding                     |
| EGAT Diamond Service Co., Ltd.                    | Thailand                                    | Subsidiary, EGAT has 45% shareholding                        |
| Ratchaburi Electricity Generating Holding Plc.    | Thailand                                    | Subsidiary, EGAT has 45% shareholding                        |
| District Cooling System and Power Plant Co., Ltd. | Thailand                                    | Jointly controlled entity of EGAT, EGAT has 35% shareholding |
| Electricity Generating Plc.                       | Thailand                                    | Associated company, EGAT has 25.41% shareholding             |
| Ratchaburi Electricity Generating Co., Ltd.       | Thailand                                    | Subsidiary of Ratchaburi Electricity Generating Holding Plc. |
| Ratchaburi Gas Co., Ltd.                          | Thailand                                    | Subsidiary of Ratchaburi Electricity Generating Holding Plc. |
| Ratch Udom Power Co., Ltd.                        | Thailand                                    | Subsidiary of Ratchaburi Electricity Generating Holding Plc. |
| Ratchaburi Energy Co., Ltd.                       | Thailand                                    | Subsidiary of Ratchaburi Electricity Generating Holding Plc. |
| RH International Corporation Ltd.                 | Thailand                                    | Subsidiary of Ratchaburi Electricity Generating Holding Plc. |
| RATCH-Lao Services Co., Ltd.                      | Lao PDR                                     | Subsidiary of Ratchaburi Electricity Generating Holding Plc. |
| Khanom Electricity Generating Co., Ltd.           | Thailand                                    | Related party of EGAT  |
| EGCO Engineering and Services Co., Ltd.           | Thailand                                    | Related party of EGAT  |
| North Pole Investment Co., Ltd.                   | Republic of Mauritius                       | Related party of EGAT  |
| Gulf Electric Plc.                                | Thailand                                    | Related party of EGAT  |
| BLCP Power Co., Ltd. (BLCP)                       | Thailand                                    | Related party of EGAT  |
| Natural Energy Development Co., Ltd.              | Thailand                                    | Related party of EGAT  |
| Xayaburi Power Co., Ltd.                          | Lao PDR                                     | Related party of EGAT  |
| Tri Energy Co., Ltd.                              | Thailand                                    | Related party of EGAT  |
| Ratchaburi Power Co., Ltd.                        | Thailand                                    | Related party of EGAT  |
| Nam Ngum 2 Power Co., Ltd.                        | Lao PDR                                     | Related party of EGAT  |
| South East Asia Energy Ltd.                       | Thailand                                    | Related party of EGAT  |
| Hongsa Power Co., Ltd.                            | Lao PDR                                     | Related party of EGAT  |
| Phufai Mining Co., Ltd.                           | Lao PDR                                     | Related party of EGAT  |
| Nava Nakorn Electricity Generating Co., Ltd.      | Thailand                                    | Related party of EGAT  |
| RATCH-Australia Corporation Ltd.                  | Australia                                   | Related party of EGAT  |



The details of related parties transactions are as follows:

#### 5.4.1 Trade accounts receivable - related parties

Unit : Million Baht

|  | Consolidated financial statement |                       |          |                          |                       |          |
|--|----------------------------------|-----------------------|----------|--------------------------|-----------------------|----------|
|  | Dec 31, 11                       |                       |          | Dec 31, 10               |                       |          |
|  | Electric<br>energy sales         | Service<br>and others | Total    | Electric<br>energy sales | Service<br>and others | Total    |
| Associated company                                 |                                  |                       |          |                          |                       |          |
| - Electricity Generating Plc.                      | 2.04                             | 787.42                | 789.46   | 1.96                     | 521.35                | 523.31   |
| Total  | 2.04                             | 787.42                | 789.46   | 1.96                     | 521.35                | 523.31   |
| Jointly controlled entity                          |                                  |                       |          |                          |                       |          |
| - District Cooling System and Power Plant Co., Ltd | -                                | 12.86                 | 12.86    | -                        | 10.58                 | 10.58    |
| Total  | -                                | 12.86                 | 12.86    | -                        | 10.58                 | 10.58    |
| Related parties                                    |                                  |                       |          |                          |                       |          |
| - Khanom Electricity Generating Co., Ltd.          | 0.39                             | 1,193.21              | 1,193.60 | 0.39                     | 1,114.49              | 1,114.88 |
| - EGCO Engineering and Services Co., Ltd.          | -                                | 0.02                  | 0.02     | -                        | 0.11                  | 0.11     |
| - BLCP Power Co., Ltd. (BLCP)                      | 9.02                             | 0.26                  | 9.28     | 13.67                    | 0.01                  | 13.68    |
| - Tri Energy Co., Ltd.                             | 0.05                             | -                     | 0.05     | 0.19                     | -                     | 0.19     |
| - Ratchaburi Power Co., Ltd.                       | 6.19                             | 2.83                  | 9.02     | 6.93                     | 0.30                  | 7.23     |
| - Nam Ngum 2 Power Co., Ltd.                       | 1.00                             | 9.59                  | 10.59    | 0.88                     | 9.59                  | 10.47    |
| - Hongsa Power Co., Ltd.                           | -                                | 7.97                  | 7.97     | -                        | 3.02                  | 3.02     |
| Total  | 16.65                            | 1,213.88              | 1,230.53 | 22.06                    | 1,127.52              | 1,149.58 |
| Total trade accounts receivable - related parties  | 18.69                            | 2,014.16              | 2,032.85 | 24.02                    | 1,659.45              | 1,683.47 |



Unit : Million Baht

## Separate financial statement

|  | Dec 31, 11               |                       |                 | Dec 31, 10               |                       |                 |
|--|--------------------------|-----------------------|-----------------|--------------------------|-----------------------|-----------------|
|  | Electric<br>energy sales | Service<br>and others | Total           | Electric<br>energy sales | Service<br>and others | Total           |
| <b>Subsidiaries</b>                                      |                          |                       |                 |                          |                       |                 |
| - Ratchaburi Electricity Generating Holding Plc.         | -                        | -                     | -               | -                        | 0.89                  | 0.89            |
| - Ratchaburi Electricity Generating Co., Ltd.            | 42.77                    | 146.25                | 189.02          | 39.84                    | 9.25                  | 49.09           |
| - RATCH-Lao Services Co., Ltd.                           | -                        | 5.92                  | 5.92            | -                        | 5.92                  | 5.92            |
| - EGAT International Co., Ltd.                           | -                        | 61.68                 | 61.68           | -                        | -                     | -               |
| - EGAT Diamond Service Co., Ltd.                         | -                        | 0.21                  | 0.21            | -                        | 5.28                  | 5.28            |
| <b>Total</b>   | <b>42.77</b>             | <b>214.06</b>         | <b>256.83</b>   | <b>39.84</b>             | <b>21.34</b>          | <b>61.18</b>    |
| <b>Associated company</b>                                |                          |                       |                 |                          |                       |                 |
| - Electricity Generating Plc.                            | 2.04                     | 787.42                | 789.46          | 1.96                     | 521.35                | 523.31          |
| <b>Total</b>   | <b>2.04</b>              | <b>787.42</b>         | <b>789.46</b>   | <b>1.96</b>              | <b>521.35</b>         | <b>523.31</b>   |
| <b>Jointly controlled entity</b>                         |                          |                       |                 |                          |                       |                 |
| - District Cooling System and Power Plant Co., Ltd.      | -                        | 19.79                 | 19.79           | -                        | 16.28                 | 16.28           |
| <b>Total</b>   | <b>-</b>                 | <b>19.79</b>          | <b>19.79</b>    | <b>-</b>                 | <b>16.28</b>          | <b>16.28</b>    |
| <b>Related parties</b>                                   |                          |                       |                 |                          |                       |                 |
| - Khanom Electricity Generating Co., Ltd.                | 0.39                     | 1,193.21              | 1,193.60        | 0.39                     | 1,114.49              | 1,114.88        |
| - EGCO Engineering and Services Co., Ltd.                | -                        | 0.02                  | 0.02            | -                        | 0.11                  | 0.11            |
| - BLCP Power Co., Ltd. (BLCP)                            | 9.02                     | 0.26                  | 9.28            | 13.67                    | 0.01                  | 13.68           |
| - Tri Energy Co., Ltd.                                   | 0.05                     | -                     | 0.05            | 0.19                     | -                     | 0.19            |
| - Ratchaburi Power Co., Ltd.                             | 6.19                     | 2.83                  | 9.02            | 6.93                     | 0.30                  | 7.23            |
| - Nam Ngum 2 Power Co., Ltd.                             | 1.00                     | -                     | 1.00            | 0.88                     | -                     | 0.88            |
| - Hongsa Power Co., Ltd.                                 | -                        | 7.97                  | 7.97            | -                        | 3.02                  | 3.02            |
| <b>Total</b>   | <b>16.65</b>             | <b>1,204.29</b>       | <b>1,220.94</b> | <b>22.06</b>             | <b>1,117.93</b>       | <b>1,139.99</b> |
| <b>Total trade accounts receivable - related parties</b> | <b>61.46</b>             | <b>2,225.56</b>       | <b>2,287.02</b> | <b>63.86</b>             | <b>1,676.90</b>       | <b>1,740.76</b> |

Trade accounts receivable - related parties can be analyzed by categories and aging schedule as follows:

Unit : Million Baht

## Consolidated financial statement

|                                | Electric<br>energy sales | Service<br>and others | Dec 31, 11      | Dec 31, 10      |
|--------------------------------|--------------------------|-----------------------|-----------------|-----------------|
| <b>Outstanding period</b>      |                          |                       |                 |                 |
| Undue portion                  | 17.54                    | 2,014.16              | 2,031.70        | 1,678.33        |
| Overdue not more than 6 months | 1.15                     | -                     | 1.15            | 5.14            |
| <b>Total</b>                   | <b>18.69</b>             | <b>2,014.16</b>       | <b>2,032.85</b> | <b>1,683.47</b> |



Unit : Million Baht

|                                 | Separate financial statement |                       |            |            |
|---------------------------------|------------------------------|-----------------------|------------|------------|
|                                 | Electric<br>energy sales     | Service<br>and others | Dec 31, 11 | Dec 31, 10 |
| Outstanding period              |                              |                       |            |            |
| Undue portion                   | 60.31                        | 2,219.94              | 2,280.25   | 1,723.81   |
| Overdue not more than 6 months  | 1.15                         | 5.59                  | 6.74       | 16.95      |
| Overdue more than 6 - 12 months | -                            | 0.03                  | 0.03       | -          |
| Total                           | 61.46                        | 2,225.56              | 2,287.02   | 1,740.76   |

#### 5.4.2 Long-term loans to related parties

Unit : Million Baht

|   | Consolidated financial statement |            |
|---|----------------------------------|------------|
|   | Dec 31, 11                       | Dec 31, 10 |
| Current portion of long-term loans to related parties |                                  |            |
| - South East Asia Energy Limited                      | 62.50                            | 62.50      |
| Long-term loans to related parties                    |                                  |            |
| - Great Energy Alliance Corporation Pty Ltd.          | 1,611.63                         | -          |
| Total   | 1,674.13                         | 62.50      |

#### 5.4.3 Trade accounts payable - related parties

Unit : Million Baht

|  | Consolidated financial statement |            | Separate financial statement |            |
|--|----------------------------------|------------|------------------------------|------------|
|  | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Independent Power Producers (IPP) and<br>Small Power Producers (SPP) |                                  |            |                              |            |
| Subsidiaries   |                                  |            |                              |            |
| - Ratchaburi Electricity Generating Co., Ltd.                        | -                                | -          | 2,317.33                     | 3,312.10   |
| - Ratchaburi Energy Co., Ltd.  | -                                | -          | 6.70                         | 6.63       |
| Total  | -                                | -          | 2,324.03                     | 3,318.73   |
| Associated company   |                                  |            |                              |            |
| - Electricity Generating Plc.  | 979.34                           | 716.02     | 979.34                       | 716.02     |
| Total  | 979.34                           | 716.02     | 979.34                       | 716.02     |
| Jointly controlled entity  |                                  |            |                              |            |
| - District Cooling System and Power Plant Co., Ltd.                  | 5.13                             | 18.70      | 7.90                         | 28.77      |
| Total  | 5.13                             | 18.70      | 7.90                         | 28.77      |
| Related parties  |                                  |            |                              |            |
| - Khanom Electricity Generating Co., Ltd.                            | 1,273.58                         | 1,141.18   | 1,273.58                     | 1,141.18   |
| - BLCP Power Co., Ltd. (BLCP)  | 1,310.69                         | 594.66     | 1,310.69                     | 594.66     |
| - Tri Energy Co., Ltd.   | 1,667.02                         | 643.90     | 1,667.02                     | 643.90     |
| - Ratchaburi Power Co., Ltd.   | 1,093.31                         | 1,020.74   | 1,093.31                     | 1,020.74   |
| - Nam Ngum 2 Power Co., Ltd.   | 721.31                           | 40.88      | 721.31                       | 40.88      |
| Total  | 6,065.91                         | 3,441.36   | 6,065.91                     | 3,441.36   |
| Total trade accounts payable - related parties                       | 7,050.38                         | 4,176.08   | 9,377.18                     | 7,504.88   |



**5.4.4 Long-term loans from related parties**

|   | Unit : Million Baht              |            |
|---|----------------------------------|------------|
|   | Consolidated financial statement |            |
|   | Dec 31, 11                       | Dec 31, 10 |
| Current portion of long-term loans from related parties |                                  |            |
| - Transfield Services Limited                           | 2,775.32                         | -          |
| Long-term loans from related parties                    |                                  |            |
| - Transfield Services Limited                           | 1,425.63                         | -          |
|   | 4,200.95                         | -          |

**5.4.5 Revenues and expenses - related parties**

|   | Unit : Million Baht              |                    |                              |                    |
|---|----------------------------------|--------------------|------------------------------|--------------------|
|   | Consolidated financial statement |                    | Separate financial statement |                    |
|   | Jan 1 - Dec 31, 11               | Jan 1 - Dec 31, 10 | Jan 1 - Dec 31, 11           | Jan 1 - Dec 31, 10 |
| <b>Revenues</b>                                     |                                  |                    |                              |                    |
| Revenue from electric energy sales                  |                                  |                    |                              |                    |
| Subsidiary  |                                  |                    |                              |                    |
| - Ratchaburi Electricity Generating Co., Ltd.       | -                                | -                  | 173.44                       | 161.26             |
| Associated company                                  |                                  |                    |                              |                    |
| - Electricity Generating Plc.                       | 11.29                            | 10.72              | 11.29                        | 10.72              |
| Related parties                                     |                                  |                    |                              |                    |
| - Khanom Electricity Generating Co., Ltd.           | 4.45                             | 4.26               | 4.45                         | 4.26               |
| - BLCP Power Co., Ltd. (BLCP)                       | 40.89                            | 44.98              | 40.89                        | 44.98              |
| - Tri Energy Co., Ltd.                              | 0.12                             | 0.47               | 0.12                         | 0.47               |
| - Ratchaburi Power Co., Ltd.                        | 29.66                            | 34.55              | 29.66                        | 34.55              |
| - Nam Ngum 2 Power Co., Ltd.                        | 6.81                             | 4.00               | 6.81                         | 4.00               |
| Revenue from sales of other goods and services      |                                  |                    |                              |                    |
| Subsidiaries  |                                  |                    |                              |                    |
| - Ratchaburi Electricity Generating Holding Plc.    | -                                | -                  | 2.34                         | 8.28               |
| - Ratchaburi Electricity Generating Co., Ltd.       | -                                | -                  | 3,968.18                     | 2,335.09           |
| - Ratchaburi Energy Co., Ltd.                       | -                                | -                  | 0.05                         | 0.05               |
| - RATCH-Lao Services Co., Ltd.                      | -                                | -                  | 71.03                        | 28.95              |
| - EGAT International Co., Ltd.                      | -                                | -                  | 73.02                        | 0.51               |
| - EGAT Diamond Service Co., Ltd.                    | -                                | -                  | 28.87                        | 4.85               |
| Associated company                                  |                                  |                    |                              |                    |
| - Electricity Generating Plc.                       | 4,822.41                         | 9,140.03           | 4,822.41                     | 9,140.03           |
| Jointly controlled entity                           |                                  |                    |                              |                    |
| - District Cooling System and Power Plant Co., Ltd. | 80.74                            | 70.71              | 124.21                       | 108.78             |
| Related parties                                     |                                  |                    |                              |                    |
| - Khanom Electricity Generating Co., Ltd.           | 12,113.45                        | 11,041.53          | 12,113.45                    | 11,041.53          |
| - EGCO Engineering and Services Co., Ltd.           | 2.15                             | 19.45              | 2.15                         | 19.45              |
| - BLCP Power Co., Ltd. (BLCP)                       | 2.76                             | 2.50               | 2.76                         | 2.50               |
| - Ratchaburi Power Co., Ltd.                        | 9.83                             | 10.74              | 9.83                         | 10.74              |
| - Nam Ngum 2 Power Co., Ltd.                        | 1.45                             | 1.24               | 1.45                         | 1.24               |
| - Hongsa Power Co., Ltd.                            | 162.77                           | 4.92               | 162.77                       | 4.92               |



|   | Unit : Million Baht              |                    |                              |                    |
|---|----------------------------------|--------------------|------------------------------|--------------------|
|   | Consolidated financial statement |                    | Separate financial statement |                    |
|   | Jan 1 - Dec 31, 11               | Jan 1 - Dec 31, 10 | Jan 1 - Dec 31, 11           | Jan 1 - Dec 31, 10 |
| <b>Expenses</b>                                     |                                  |                    |                              |                    |
| Electric energy purchased                           |                                  |                    |                              |                    |
| Subsidiaries  |                                  |                    |                              |                    |
| - Ratchaburi Electricity Generating Co., Ltd.       | -                                | -                  | 41,195.40                    | 42,103.51          |
| - Ratchaburi Energy Co., Ltd.                       | -                                | -                  | 32.68                        | 33.88              |
| Associated company                                  |                                  |                    |                              |                    |
| - Electricity Generating Plc.                       | 6,830.67                         | 11,606.36          | 6,830.67                     | 11,606.36          |
| Jointly controlled entity                           |                                  |                    |                              |                    |
| - District Cooling System and Power Plant Co., Ltd. | 49.67                            | 82.44              | 76.41                        | 126.83             |
| Related parties                                     |                                  |                    |                              |                    |
| - Khanom Electricity Generating Co., Ltd.           | 14,159.34                        | 13,629.51          | 14,159.34                    | 13,629.51          |
| - BLCP Power Co., Ltd. (BLCP)                       | 17,775.57                        | 17,647.53          | 17,775.57                    | 17,647.53          |
| - Tri Energy Co., Ltd.                              | 8,135.19                         | 10,252.55          | 8,135.19                     | 10,252.55          |
| - Ratchaburi Power Co., Ltd.                        | 18,885.18                        | 18,444.25          | 18,885.18                    | 18,444.25          |
| - Nam Ngum 2 Power Co., Ltd.                        | 4,465.98                         | 54.59              | 4,465.98                     | 54.59              |
| Cost of sales of other goods and services           |                                  |                    |                              |                    |
| Subsidiaries  |                                  |                    |                              |                    |
| - Ratchaburi Electricity Generating Holding Plc.    | -                                | -                  | 0.73                         | 3.23               |
| - Ratchaburi Electricity Generating Co., Ltd.       | -                                | -                  | 3,603.73                     | 2,064.78           |
| - Ratchaburi Energy Co., Ltd.                       | -                                | -                  | 0.02                         | 0.02               |
| - RATCH-Lao Services Co., Ltd.                      | -                                | -                  | 60.62                        | 27.93              |
| - EGAT International Co., Ltd.                      | -                                | -                  | 74.62                        | 0.03               |
| - EGAT Diamond Service Co., Ltd.                    | -                                | -                  | 17.93                        | 3.49               |
| Associated company                                  |                                  |                    |                              |                    |
| - Electricity Generating Plc.                       | 4,864.73                         | 9,127.13           | 4,864.73                     | 9,127.13           |
| Jointly controlled entity                           |                                  |                    |                              |                    |
| - District Cooling System and Power Plant Co., Ltd. | 90.96                            | 62.68              | 139.94                       | 96.43              |
| Related parties                                     |                                  |                    |                              |                    |
| - Khanom Electricity Generating Co., Ltd.           | 12,096.16                        | 11,116.73          | 12,096.16                    | 11,116.73          |
| - EGCO Engineering and Services Co., Ltd.           | 1.52                             | 1.63               | 1.52                         | 1.63               |
| - BLCP Power Co., Ltd. (BLCP)                       | 0.54                             | 0.61               | 0.54                         | 0.61               |
| - Ratchaburi Power Co., Ltd.                        | 4.57                             | 5.67               | 4.57                         | 5.67               |
| - Nam Ngum 2 Power Co., Ltd.                        | 0.31                             | 1.01               | 0.31                         | 1.01               |
| - Hongsa Power Co., Ltd.                            | 66.04                            | 1.43               | 66.04                        | 1.43               |



**5.4.6 Executives' remunerations**

For the years ended December 31, 2011 and 2010, remunerations are as follows:

|  | Unit : Million Baht              |                  |                              |                  |
|--|----------------------------------|------------------|------------------------------|------------------|
|  | Consolidated financial statement |                  | Separate financial statement |                  |
|  | Jan 1-Dec 31, 11                 | Jan 1-Dec 31, 10 | Jan 1-Dec 31, 11             | Jan 1-Dec 31, 10 |
| <b>Directors' remunerations</b>        |                                  |                  |                              |                  |
| Meeting remuneration and bonuses       | 38.20                            | 35.63            | 2.45                         | 3.01             |
| <b>Management's remunerations</b>      |                                  |                  |                              |                  |
| Salaries, bonuses and other short-term |                                  |                  |                              |                  |
| employee benefits                      | 209.72                           | 126.63           | 47.38                        | 39.39            |
| Post-employee benefit and other        |                                  |                  |                              |                  |
| long-term employee benefit             | 13.34                            | 5.52             | 1.41                         | 1.18             |
|  | 223.06                           | 132.15           | 48.79                        | 40.57            |
| <b>Total</b>                           | 261.26                           | 167.78           | 51.24                        | 43.58            |

**5.5 Accrued (Surplus) Revenue from Electric Energy Sales According to Automatic Tariff****Adjustment (Ft)**

EGAT has the accrued Ft revenue from electric energy sales according to automatic tariff adjustment (Ft) as at January 1, 2011 amounting to Baht 2,247.31 million. During the year EGAT had recovered all of accrued Ft revenue of last year. As at March 31, 2011, June 30, 2011 and September 30, 2011, surplus Ft revenue was Baht 1,875.58 million, Baht 1,851.54 million and Baht 587.37 million respectively. However, EGAT has the accrued Ft revenue in the amount of Baht 1,178.64 million as at December 31, 2011 because during the fourth quarter of the year 2011, the cost of fuel and electric purchasing of Ft calculation formula was increasing due to the fact that EGAT had decreasing in providing operation and generating electricity by hydropower in order to reserve the water for agriculture and fuel cost was increased as well while Ft revenue was constantly -6 satang per unit in accordance with ERC's resolution. However, as at February 29, 2012 EGAT has the accrued Ft revenue amount to Baht 3,716.23 million.

As at December 31, 2011, EGAT has cash from reduction in Ft revenue which is from investment under the plan in the amount of Baht 1,484.99 million. However, ERC has not notified EGAT to reduce Ft revenue.



## 5.6 Other Accounts Receivable

|   | Unit : Million Baht              |                |                              |                |
|---|----------------------------------|----------------|------------------------------|----------------|
|   | Consolidated financial statement |                | Separate financial statement |                |
|   | Dec 31, 11                       | Dec 31, 10     | Dec 31, 11                   | Dec 31, 10     |
| Employee accounts receivable                  | 99.37                            | 102.04         | 99.32                        | 102.04         |
| Other accounts receivable                     | 255.99                           | 186.26         | 306.03                       | 239.43         |
| <b>Less : Allowance for doubtful accounts</b> | <b>(18.57)</b>                   | <b>(25.16)</b> | <b>(18.57)</b>               | <b>(25.16)</b> |
| Advances                                      | 3,856.34                         | 1,093.72       | 3,751.48                     | 874.72         |
| Accrued revenues                              | 628.55                           | 305.48         | 602.87                       | 309.86         |
| Input tax                                     | 2,682.41                         | 2,333.49       | 2,669.22                     | 2,329.74       |
| Balance                                       | 7,504.09                         | 3,995.83       | 7,410.35                     | 3,830.63       |

## 5.7 Materials and Supplies

|   | Unit : Million Baht              |                   |                              |                   |
|---|----------------------------------|-------------------|------------------------------|-------------------|
|   | Consolidated financial statement |                   | Separate financial statement |                   |
|   | Dec 31, 11                       | Dec 31, 10        | Dec 31, 11                   | Dec 31, 10        |
| Fuel oil for power plant                  | 5,158.93                         | 4,293.83          | 4,447.93                     | 3,580.74          |
| Lignite stock                             | 1,396.80                         | 2,476.02          | 1,396.80                     | 2,476.02          |
| Spare parts, other materials and supplies | 10,710.62                        | 9,702.60          | 8,664.06                     | 8,221.66          |
| <b>Less : Allowance for obsolescence</b>  | <b>(5,070.13)</b>                | <b>(4,693.64)</b> | <b>(4,565.15)</b>            | <b>(4,247.88)</b> |
| Balance                                   | 12,196.22                        | 11,778.81         | 9,943.64                     | 10,030.54         |

## 5.8 Derivative Assets and Derivative Liabilities

### 5.8.1 Derivative assets

|   | Unit : Million Baht              |            |                              |            |
|---|----------------------------------|------------|------------------------------|------------|
|   | Consolidated financial statement |            | Separate financial statement |            |
|   | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Forward exchange contracts                      | -                                | -          | -                            | -          |
| Cross currency and interest rate swap contracts | 37.72                            | 185.19     | 37.72                        | 185.19     |
| Interest rate swap contracts                    | 2.59                             | 4.70       | 2.59                         | 4.70       |
| Total   | 40.31                            | 189.89     | 40.31                        | 189.89     |

### 5.8.2 Derivative liabilities

|   | Unit : Million Baht              |            |                              |            |
|---|----------------------------------|------------|------------------------------|------------|
|   | Consolidated financial statement |            | Separate financial statement |            |
|   | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Cross currency and interest rate swap contracts | -                                | 256.21     | -                            | 256.21     |
| Currency swap contracts                         | -                                | 52.97      | -                            | 52.97      |
| Interest rate swap contracts                    | 2.99                             | 4.25       | 2.99                         | 4.25       |
| Total   | 2.99                             | 313.43     | 2.99                         | 313.43     |

## 5.9 Investment in Subsidiaries, Jointly Controlled Entities and Associates

### 5.9.1 Details of subsidiaries, jointly controlled entity and associated company

| Company  | Country of incorporation/<br>Nationality | Business   | Shareholding (%) |            |
|--|--|--|------------------|------------|
|  |  |  | Dec 31, 11       | Dec 31, 10 |
| Subsidiaries   |  |  |                  |            |
| EGAT International Co., Ltd.                         | Thailand                                 | Generation and supply of electricity                   | 99.99            | 99.99      |
| EGAT Diamond Service Co., Ltd.                       | Thailand                                 | Gas turbine maintenance including spare parts          | 45               | 45         |
| Ratchaburi Electricity Generating<br>Holding Plc.    | Thailand                                 | Generation and supply of electricity                   | 45               | 45         |
| Jointly controlled entity                            |  |  |                  |            |
| District Cooling System and<br>Power Plant Co., Ltd. | Thailand                                 | Generation and supply of electricity and chilled water | 35               | 35         |
| Associated company                                   |  |  |                  |            |
| Electricity Generating Plc.                          | Thailand                                 | Generation and supply of electricity                   | 25.41            | 25.41      |

### 5.9.2 Details of subsidiaries, jointly controlled entities and associates : Ratchaburi Electricity Generating Holding Plc.

| Company   | Country of incorporation/<br>Nationality | Business   | Shareholding (%) |            |
|---|--|--|------------------|------------|
|   |  |  | Dec 31, 11       | Dec 31, 10 |
| Direct subsidiaries                               |  |  |                  |            |
| Ratchaburi Electricity Generating Co., Ltd.       | Thailand                                 | Generation and supply of electricity   | 99.99            | 99.99      |
| Ratchaburi Gas Co., Ltd.                          | Thailand                                 | Investment in electricity business   | 99.99            | 99.99      |
| Ratch Udom Power Co., Ltd.                        | Thailand                                 | Investment in electricity business   | 99.99            | 99.99      |
| Ratchaburi Energy Co., Ltd.                       | Thailand                                 | Power plant development and operation and investment in electricity business | 99.99            | 99.99      |
| RH International Corporation Ltd.                 | Thailand                                 | Investment in electricity business   | 99.99            | 99.99      |
| RATCH-Lao Services Co., Ltd.                      | Lao PDR                                  | Running the machinery and power plant maintenance services                   | 99.99            | 99.99      |
| Indirect subsidiaries                             |  |  |                  |            |
| Ratchaburi Alliances Co., Ltd.                    | Thailand                                 | Investment in electricity business   | 99.99            | 99.99      |
| RH International (Mauritius) Corporation Ltd.     | Mauritius                                | Investment in electricity business in foreign country                        | 100              | 100        |
| RH International (Singapore) Corporation Ltd.     | Singapore                                | Investment in electricity business in foreign country                        | 100              | 100        |
| Sustainable Energy Corporation Co., Ltd.          | Thailand                                 | Investment in electricity business   | 55.18            | 51         |
| Khao Kor Wind Power Co., Ltd.                     | Thailand                                 | Generation and supply of electricity   | 55.18            | 51         |
| RATCH-Australia Corporation Ltd. and subsidiaries | Australia                                | Power plant development and operation and investment in electricity business | 80               | -          |
| Jointly controlled entities                       |  |  |                  |            |
| Tri Energy Co., Ltd.                              | Thailand                                 | Generation and supply of electricity   | 50               | 50         |
| Ratchaburi Power Co., Ltd.                        | Thailand                                 | Generation and supply of electricity   | 25               | 25         |
| Chubu Ratchaburi Electric Services Co., Ltd.      | Thailand                                 | Running the machinery and power plant maintenance services                   | 50               | 50         |
| South East Asia Energy Ltd.                       | Thailand                                 | Investment in electricity business   | 33.33            | 33.33      |
| Hongsa Power Co., Ltd.                            | Lao PDR                                  | Generation and supply of electricity   | 40               | 40         |
| Phufai Mining Co., Ltd.                           | Lao PDR                                  | Generation and supply of coal  | 37.50            | 37.50      |
| Nam Ngum 2 Power Co., Ltd.                        | Lao PDR                                  | Generation and supply of electricity   | 25               | 25         |
| Nam Ngum 3 Power Co., Ltd.                        | Lao PDR                                  | Generation and supply of electricity   | 25               | 25         |
| Nava Nakorn Electricity Generating Co., Ltd.      | Thailand                                 | Generation and supply of electricity and steam                               | 40               | 40         |
| Ratchaburi World Cogeneration Co., Ltd.           | Thailand                                 | Generation and supply of electricity and steam                               | 40               | 10         |
| Solarta Co., Ltd.                                 | Thailand                                 | Generation and supply of electricity   | 49               | -          |
| Solar Power (Korat 3) Co., Ltd.                   | Thailand                                 | Generation and supply of electricity   | 40               | -          |
| Solar Power (Korat 4) Co., Ltd.                   | Thailand                                 | Generation and supply of electricity   | 40               | -          |
| Solar Power (Korat 7) Co., Ltd.                   | Thailand                                 | Generation and supply of electricity   | 40               | -          |
| Songkhla Biomass Co., Ltd.                        | Thailand                                 | Generation and supply of electricity   | 40               | -          |
| Associates  |  |  |                  |            |
| First Korat Wind Co., Ltd.                        | Thailand                                 | Generation and supply of electricity   | 20               | -          |
| K.R. Two Co., Ltd.                                | Thailand                                 | Generation and supply of electricity   | 20               | -          |

## 5.9.3 Investments in associates and jointly controlled entities in the consolidated financial statements

Unit : Million Baht

| Company   | Shareholding (%) |            | Dec 31, 11  |               | Dec 31, 10  |               | Dividend   |            |
|---|------------------|------------|-------------|---------------|-------------|---------------|------------|------------|
|   | Dec 31, 11       | Dec 31, 10 | Cost Method | Equity Method | Cost Method | Equity Method | Dec 31, 11 | Dec 31, 10 |
| <b>Associates</b>                               |                  |            |             |               |             |               |            |            |
| 1. Electricity Generating Plc.                  | 25.41            | 25.41      | 1,587.55    | 13,330.74     | 1,587.55    | 12,595.95     | 702.31     | 702.31     |
| 2. First Korat Wind Co., Ltd.                   | 20.00            | -          | 203.59      | 203.18        | -           | -             | -          | -          |
| 3. K.R. Two Co., Ltd.                           | 20.00            | -          | 153.47      | 153.38        | -           | -             | -          | -          |
| Total   |                  |            | 1,944.61    | 13,687.30     | 1,587.55    | 12,595.95     | 702.31     | 702.31     |
| <b>Jointly controlled entities</b>              |                  |            |             |               |             |               |            |            |
| 1. Tri Energy Co., Ltd.                         | 50.00            | 50.00      | 1,809.21    | 4,918.89      | 1,809.21    | 4,675.62      | 146.36     | 332.10     |
| 2. Ratchaburi Power Co., Ltd.                   | 25.00            | 25.00      | 1,831.25    | 3,358.39      | 1,831.25    | 3,318.32      | 575.00     | 725.00     |
| 3. Chubu Ratchaburi Electric Services Co., Ltd. | 50.00            | 50.00      | 10.00       | 95.53         | 10.00       | 99.54         | 20.00      | -          |
| 4. South East Asia Energy Ltd.                  | 33.33            | 33.33      | 2,202.25    | 2,425.32      | 2,143.34    | 2,051.92      | -          | -          |
| 5. Hongsa Power Co., Ltd.                       | 40.00            | 40.00      | 983.12      | 808.05        | 983.12      | 846.54        | -          | -          |
| 6. Phufai Mining Co., Ltd.                      | 37.50            | 37.50      | 0.63        | 0.45          | 0.63        | 0.52          | -          | -          |
| 7. Nam Ngum 3 Power Co., Ltd.                   | 25.00            | 25.00      | 0.45        | 0.38          | 0.45        | 0.45          | -          | -          |
| 8. Nava Nakorn Electricity Generating Co., Ltd. | 40.00            | 40.00      | 32.80       | 31.45         | 0.80        | 0.80          | -          | -          |
| 9. Ratchaburi World Cogeneration Co., Ltd.      | 40.00            | 10.00      | 156.00      | 150.49        | 4.00        | 4.00          | -          | -          |
| 10. Solarta Co., Ltd.                           | 49.00            | -          | 545.96      | 551.75        | -           | -             | -          | -          |
| 11. Solar Power (Korat 3) Co., Ltd.             | 40.00            | -          | 65.00       | 56.61         | -           | -             | -          | -          |
| 12. Solar Power (Korat 4) Co., Ltd.             | 40.00            | -          | 61.33       | 59.14         | -           | -             | -          | -          |
| 13. Solar Power (Korat 7) Co., Ltd.             | 40.00            | -          | 45.53       | 44.95         | -           | -             | -          | -          |
| 14. Songkhla Biomass Co., Ltd.                  | 40.00            | -          | 18.00       | 16.90         | -           | -             | -          | -          |
| 15. Perth Power Partnership                     | 30.00            | -          | 874.08      | 1,125.20      | -           | -             | 115.91     | -          |
| Total   |                  |            | 8,635.61    | 13,643.50     | 6,782.80    | 10,997.71     | 857.27     | 1,057.10   |
| Grand Total                                     |                  |            | 10,580.22   | 27,330.80     | 8,370.35    | 23,593.66     | 1,559.58   | 1,759.41   |

## 5.9.4 Investments in associated company, subsidiaries and jointly controlled entity in the separate financial statements

Unit : Million Baht

| Company  | Shareholding (%) |            | Cost Method |            | Dividend   |            |
|--|------------------|------------|-------------|------------|------------|------------|
|  | Dec 31, 11       | Dec 31, 10 | Dec 31, 11  | Dec 31, 10 | Dec 31, 11 | Dec 31, 10 |
| <b>Associated company</b>                            |                  |            |             |            |            |            |
| 1. Electricity Generating Plc.                       | 25.41            | 25.41      | 1,587.55    | 1,587.55   | 702.31     | 702.31     |
| Total  |                  |            | 1,587.55    | 1,587.55   | 702.31     | 702.31     |
| <b>Subsidiaries</b>                                  |                  |            |             |            |            |            |
| 1. Ratchaburi Electricity Generating Holding Plc.    | 45.00            | 45.00      | 6,525.00    | 6,525.00   | 1,468.13   | 1,468.13   |
| 2. EGAT International Co., Ltd.                      | 100.00           | 100.00     | 300.00      | 130.00     | -          | -          |
| 3. EGAT Diamond Service Co., Ltd.                    | 45.00            | 45.00      | 227.95      | 227.95     | -          | -          |
| Total  |                  |            | 7,052.95    | 6,882.95   | 1,468.13   | 1,468.13   |
| <b>Jointly controlled entity</b>                     |                  |            |             |            |            |            |
| 1. District Cooling System and Power Plant Co., Ltd. | 35.00            | 35.00      | 584.50      | 428.75     | -          | -          |
| Total  |                  |            | 584.50      | 428.75     | -          | -          |
| Grand Total  |                  |            | 9,225.00    | 8,899.25   | 2,170.44   | 2,170.44   |



## 5.9.5 Movements in investments in the consolidated financial statements and the separate financial statements

### 5.9.5.1 Movements in investments in associates and jointly controlled entities accounted for under the equity method in the consolidated financial statements

|  | Unit : Million Baht |            |
|--|---------------------|------------|
|  | Dec 31, 11          | Dec 31, 10 |
| Balance at the beginning of period   | 23,593.66           | 21,037.47  |
| Jointly controlled parts from business acquisition                         | 1,205.61            | -          |
| Share of profit from investments - equity method                           | 2,533.41            | 3,272.09   |
| Additional payment of share capital in jointly controll entities           | 978.72              | 377.69     |
| Additional payment of share capital in associates                          | 357.06              | -          |
| Transfer development expenses to investments                               | -                   | 849.76     |
| Dividend revenues  | (857.27)            | (1,057.10) |
| Investments in jointly controlled entities before status change            | -                   | (109.39)   |
| Available-for-sale investments   | (37.13)             | 168.82     |
| Currency translation differences of the company settled in foreign country | 273.91              | (243.37)   |
| Dividend received  | (702.31)            | (702.31)   |
| Exchange rate adjustment   | (14.86)             | -          |
| Balance at the end of period   | 27,330.80           | 23,593.66  |

### 5.9.5.2 Movements in investments in subsidiaries, jointly controlled entity and associated company accounted for under the cost method in the separate financial statements

|                                    | Unit : Million Baht |            |
|------------------------------------|---------------------|------------|
|                                    | Dec 31, 11          | Dec 31, 10 |
| Balance at the beginning of period | 8,899.25            | 8,670.53   |
| - Additional investments           | 325.75              | 228.72     |
| Balance at the end of period       | 9,225.00            | 8,899.25   |



## 5.10 Property, Plant and Equipment

| Consolidated financial statement        |             |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |  |              | Unit : Million Baht |
|---|-------------|---------------------|--------------|----------------------------|----------------|---------------------|----------------------|----------------------|------------|--|------------|------------------------------|--|--|--------------|---------------------|
| Land                                    | Structures  | Reservoirs and dams | Power plants | Equipment for power plants | Control system | Transmission system | Communication system | Coal handling system | Machinery  | Large-sized spare parts for mine equipment | Vehicles   | Other materials and supplies | Deferred charges of major inspection fee | Adjustment in consolidated from profit on sale of power plants | Total        |                     |
| 7,506.07                                | 25,399.16   | 28,608.93           | 306,521.74   | 21,903.91                  | 826.59         | 136,867.46          | 6,601.39             | 5,399.96             | 5,495.74   | 42.85                                      | 2,732.89   | 8,798.86                     | 1,544.91                                 | (4,839.33)   | 553,411.13   |                     |
| -                                       | -           | -                   | -            | -                          | -              | -                   | -                    | -                    | -          | -  | -          | (0.17)                       | -  | -  | (0.17)       |                     |
| 7,506.07                                | 25,399.16   | 28,608.93           | 306,521.74   | 21,903.91                  | 826.59         | 136,867.46          | 6,601.39             | 5,399.96             | 5,495.74   | 42.85                                      | 2,732.89   | 8,798.69                     | 1,544.91                                 | (4,839.33)   | 553,410.96   |                     |
| 276.61                                  | 1.16        | -                   | 50.76        | 0.42                       | 1.16           | 42.35               | 1.06                 | -                    | 648.12     | -  | 75.84      | 447.59                       | -  | -  | 1,545.07     |                     |
| 207.84                                  | 301.51      | -                   | 26,114.80    | -                          | -              | -                   | -                    | -                    | -          | -  | -          | 0.79                         | -  | -  | 26,624.94    |                     |
| (3.26)                                  | (3.98)      | -                   | (344.23)     | -                          | -              | -                   | -                    | -                    | -          | -  | -          | (0.01)                       | -  | -  | (351.48)     |                     |
| -                                       | 1,129.38    | 175.82              | 2,030.02     | 3,155.67                   | 15.26          | 3,905.36            | 94.60                | 502.72               | 93.29      | -  | -          | 42.74                        | 2,600.15                                 | -  | 13,745.01    |                     |
| (3.28)                                  | (55.29)     | -                   | (68.89)      | 134.20                     | (0.48)         | (2.87)              | (6.31)               | -                    | (22.65)    | -  | 15.42      | 6.87                         | -  | -  | (3.28)       |                     |
| (49.74)                                 | (41.46)     | -                   | (359.77)     | (79.08)                    | (0.38)         | (489.41)            | (128.84)             | -                    | (67.56)    | -  | (89.00)    | (262.15)                     | (393.28)                                 | -  | (1,960.67)   |                     |
| 7,934.24                                | 26,730.48   | 28,784.75           | 333,944.43   | 25,115.12                  | 842.15         | 140,322.89          | 6,561.90             | 5,902.68             | 6,146.94   | 42.85                                      | 2,735.15   | 9,034.52                     | 3,751.78                                 | (4,839.33)   | 593,010.55   |                     |
| Accumulated depreciation / Amortization |             |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |  |              |                     |
| -                                       | (15,376.95) | (8,777.44)          | (170,800.77) | (10,242.76)                | (694.34)       | (63,011.98)         | (5,305.03)           | (4,105.73)           | (4,733.65) | (42.85)                                    | (2,241.83) | (6,373.34)                   | (436.85)                                 | 1,757.17   | (290,386.35) |                     |
| -                                       | -           | -                   | -            | -                          | -              | -                   | -                    | -                    | -          | -  | -          | 0.11                         | -  | -  | 0.11         |                     |
| -                                       | (15,376.95) | (8,777.44)          | (170,800.77) | (10,242.76)                | (694.34)       | (63,011.98)         | (5,305.03)           | (4,105.73)           | (4,733.65) | (42.85)                                    | (2,241.83) | (6,373.23)                   | (436.85)                                 | 1,757.17   | (290,386.24) |                     |
| -                                       | (981.61)    | (438.30)            | (11,587.99)  | (2,174.68)                 | (26.11)        | (4,779.72)          | (298.67)             | (159.00)             | (183.13)   | -  | (164.81)   | (591.25)                     | (1,271.41)                               | 196.68   | (22,460.00)  |                     |
| -                                       | (44.95)     | -                   | (7,933.06)   | -                          | -              | -                   | -                    | -                    | -          | -  | -          | (0.64)                       | -  | -  | (7,978.65)   |                     |
| -                                       | (1.43)      | -                   | (235.52)     | -                          | -              | -                   | -                    | -                    | -          | -  | -          | -                            | -  | -  | (236.95)     |                     |
| -                                       | 59.81       | -                   | (48.85)      | (12.22)                    | 0.48           | (0.41)              | 0.32                 | -                    | 23.66      | -  | (15.44)    | (7.35)                       | -  | -  | -            |                     |
| -                                       | 31.30       | -                   | 337.02       | 79.08                      | 0.31           | 377.55              | 126.11               | -                    | 67.56      | -  | 87.68      | 258.34                       | 393.29                                   | -  | 1,758.24     |                     |
| Accumulated depreciation / Amortization |             |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |  |              |                     |
| -                                       | (16,313.83) | (9,215.74)          | (190,269.17) | (12,350.58)                | (719.66)       | (67,414.56)         | (5,477.27)           | (4,264.73)           | (4,825.56) | (42.85)                                    | (2,334.40) | (6,714.13)                   | (1,314.97)                               | 1,953.85   | (319,303.60) |                     |
| Accumulated impairment                  |             |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |  |              |                     |
| -                                       | -           | -                   | (15.33)      | -                          | -              | -                   | -                    | -                    | -          | -  | -          | -                            | -  | -  | (15.33)      |                     |
| -                                       | (52.91)     | -                   | -            | -                          | -              | -                   | -                    | -                    | (96.68)    | -  | -          | (5.56)                       | -  | -  | (155.15)     |                     |
| -                                       | (52.91)     | -                   | (15.33)      | -                          | -              | -                   | -                    | -                    | (96.68)    | -  | -          | (5.56)                       | -  | -  | (170.48)     |                     |
| Net book value                          |             |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |  |              |                     |
| 7,506.07                                | 10,022.21   | 19,831.49           | 135,705.64   | 11,661.15                  | 132.25         | 73,855.48           | 1,296.36             | 1,294.23             | 762.09     | -  | 491.06     | 2,425.46                     | 1,108.06                                 | (3,082.16)   | 263,009.39   |                     |
| 7,934.24                                | 10,363.74   | 19,569.01           | 143,659.93   | 12,764.54                  | 122.49         | 72,908.33           | 1,084.63             | 1,637.95             | 1,224.70   | -  | 400.75     | 2,314.83                     | 2,436.81                                 | (2,885.48)   | 273,536.47   |                     |



Unit : Million Baht

|  | Separate financial statement |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |              | Total |
|--|------------------------------|---------------------|--------------|----------------------------|----------------|---------------------|----------------------|----------------------|------------|--|------------|------------------------------|--|--------------|-------|
| Land                                     | Structures                   | Reservoirs and dams | Power plants | Equipment for power plants | Control system | Transmission system | Communication system | Coal handling system | Machinery  | Large-sized spare parts for mine equipment | Vehicles   | Other materials and supplies | Deferred charges of major inspection fee |              |       |
| 6,405.01                                 | 24,839.43                    | 28,608.93           | 247,807.05   | 21,888.08                  | 826.59         | 136,867.46          | 6,601.39             | 5,399.96             | 5,495.74   | 42.85                                      | 2,689.65   | 8,565.11                     | 1,544.91                                 | 497,582.16   |       |
| 276.61                                   | 0.83                         | -                   | 4.20         | -                          | 1.16           | 42.35               | 1.06                 | -                    | 635.68     | -  | 68.57      | 420.00                       | -  | 1,450.46     |       |
| Transferred from work under construction |                              |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |              |       |
| -  | 904.13                       | 175.82              | 1,670.16     | 3,153.79                   | 15.26          | 3,905.36            | 94.60                | 502.72               | -          | -  | -          | 36.71                        | 2,600.15                                 | 13,058.70    |       |
| (3.28)                                   | (55.29)                      | -                   | (68.89)      | 134.20                     | (0.48)         | (2.87)              | (6.31)               | -                    | (22.65)    | -  | 15.42      | 6.87                         | -  | (3.28)       |       |
| (49.74)                                  | (28.99)                      | -                   | (5.20)       | (79.08)                    | (0.38)         | (489.41)            | (128.84)             | -                    | (67.56)    | -  | (82.36)    | (260.65)                     | (393.28)                                 | (1,585.49)   |       |
| 6,628.60                                 | 25,660.11                    | 28,784.75           | 249,407.32   | 25,096.99                  | 842.15         | 140,322.89          | 6,561.90             | 5,902.68             | 6,041.21   | 42.85                                      | 2,691.28   | 8,768.04                     | 3,751.78                                 | 510,502.55   |       |
| Accumulated depreciation / Amortization  |                              |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |              |       |
| -  | (15,112.88)                  | (8,777.44)          | (146,484.98) | (10,242.76)                | (694.34)       | (63,011.98)         | (5,305.03)           | (4,105.73)           | (4,733.65) | (42.85)                                    | (2,219.68) | (6,236.93)                   | (436.85)                                 | (267,405.10) |       |
| -  | (944.32)                     | (438.30)            | (8,707.70)   | (2,174.23)                 | (26.11)        | (4,779.72)          | (298.67)             | (159.00)             | (177.51)   | -  | (158.84)   | (560.91)                     | (1,271.41)                               | (19,696.72)  |       |
| -  | 59.81                        | -                   | (48.85)      | (12.22)                    | 0.48           | (0.41)              | 0.32                 | -                    | 23.66      | -  | (15.44)    | (7.35)                       | -  | -            |       |
| -  | 24.64                        | -                   | 3.66         | 79.08                      | 0.31           | 377.55              | 126.11               | -                    | 67.56      | -  | 82.33      | 256.86                       | 393.29                                   | 1,411.39     |       |
| Accumulated depreciation / Amortization  |                              |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |              |       |
| -  | (15,972.75)                  | (9,215.74)          | (155,237.87) | (12,350.13)                | (719.66)       | (67,414.56)         | (5,477.27)           | (4,264.73)           | (4,819.94) | (42.85)                                    | (2,311.63) | (6,548.33)                   | (1,314.97)                               | (285,690.43) |       |
| Accumulated impairment                   |                              |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |              |       |
| -  | -                            | -                   | (15.33)      | -                          | -              | -                   | -                    | -                    | -          | -  | -          | -                            | -  | (15.33)      |       |
| -  | -                            | -                   | (15.33)      | -                          | -              | -                   | -                    | -                    | -          | -  | -          | -                            | -  | (15.33)      |       |
| Net book value                           |                              |                     |              |                            |                |                     |                      |                      |            |  |            |                              |  |              |       |
| 6,405.01                                 | 9,726.55                     | 19,831.49           | 101,306.74   | 11,645.32                  | 132.25         | 73,855.48           | 1,296.36             | 1,294.23             | 762.09     | -  | 469.97     | 2,328.18                     | 1,108.06                                 | 230,161.73   |       |
| 6,628.60                                 | 9,687.36                     | 19,569.01           | 94,154.12    | 12,746.86                  | 122.49         | 72,908.33           | 1,084.63             | 1,637.95             | 1,221.27   | -  | 379.65     | 2,219.71                     | 2,436.81                                 | 224,796.79   |       |

As at December 31, 2011 and 2010, EGAT has buildings and equipment fully accumulated depreciation, while being in use. The cost value of these assets before deduction of accumulated depreciation were Baht 90,186.33 million and Baht 85,639.82 million respectively. The details are as follows:

|  | Unit : Million Baht          |            |
|--|------------------------------|------------|
|  | Separate financial statement |            |
|  | Dec 31, 11                   | Dec 31, 10 |
| Structures                                 | 7,782.12                     | 7,364.95   |
| Reservoirs and dams                        | 8.40                         | 8.40       |
| Power Plants                               | 47,150.56                    | 44,672.00  |
| Equipment for power plants                 | 6,741.22                     | 6,536.88   |
| Control system                             | 468.64                       | 323.70     |
| Transmission system                        | 11,715.61                    | 10,596.39  |
| Communication system                       | 3,716.94                     | 3,425.03   |
| Coal handling system                       | 2,764.10                     | 2,691.46   |
| Machinery                                  | 3,884.87                     | 4,029.30   |
| Large-sized spare parts for mine equipment | 42.85                        | 42.85      |
| Vehicles                                   | 1,846.64                     | 1,754.40   |
| Other materials and supplies               | 4,064.38                     | 4,194.46   |
| Total                                      | 90,186.33                    | 85,639.82  |

As at March 25, 2011, EGAT was approved by the Board of EGAT to send two gas turbines from Nong Jok power plant-unit 2 and 3, and equipments of Lankrabue power plant-unit 11 to help Japan from power losses in summer 2011 resulting in earthquake and the resultant tsunami which happened on March 11, 2011 and the Cabinet has agreed.

The cost value of Nong Jok power plant-unit 2 and 3 was Baht 1,924.34 million with fully accumulated depreciation. Net book value as at March 31, 2011 was Baht 47.00.

The cost value of equipments for Lankrabue power plant was Baht 261.85 million and net book value as at March 31, 2011 was Baht 18.94 million. Besides, the depreciation of equipments while moving to Japan included in Administrative expenses from donation.

During April 2011, EGAT dismantled Nong Jok power plant and moved it to Laem- Chabang port during the end of April 2011, which the ship shipped out of port in May 2011.



## 5.11 Work under Construction

Unit : Million Baht

|   | Consolidated financial statement |                     |              |                            |                |                                     |                      |                      |           |                              | Total       |
|---|----------------------------------|---------------------|--------------|----------------------------|----------------|-------------------------------------|----------------------|----------------------|-----------|------------------------------|-------------|
|   | Structures                       | Reservoirs and dams | Power plants | Equipment for power plants | Control system | Transmission system and exploration | Communication system | Coal handling system | Machinery | Other materials and supplies |             |
| Bring forward as at Jan 1, 11   | 1,069.93                         | 428.98              | 4,755.44     | -                          | 39.15          | 16,235.37                           | 478.73               | 600.75               | 50.84     | 29.67                        | 30,224.62   |
| Increase during the period  | 951.57                           | 138.90              | 2,407.53     | 21.72                      | 65.36          | 6,398.50                            | 211.77               | 287.57               | 40.70     | 23.78                        | 21,803.24   |
|   | 2,021.50                         | 567.88              | 7,162.97     | 21.72                      | 104.51         | 22,633.87                           | 690.50               | 888.32               | 91.54     | 53.45                        | 52,027.86   |
| Transferred to property, plant, equipment and others                        | (1,130.88)                       | (175.82)            | (2,030.28)   | (21.72)                    | (15.26)        | (3,905.36)                          | (94.60)              | (502.72)             | (91.54)   | (42.74)                      | (13,832.80) |
| Transferred to work under construction of transmission system               | -                                | -                   | -            | -                          | -              | -                                   | -                    | -                    | -         | -                            | (3,624.02)  |
| Transferred to materials for work under construction of transmission system | -                                | -                   | -            | -                          | -              | -                                   | -                    | -                    | -         | -                            | (1,425.68)  |
| Carry forward as at Dec 31, 11  | 890.62                           | 392.06              | 5,132.69     | -                          | 89.25          | 18,728.51                           | 595.90               | 385.60               | -         | 10.71                        | 33,145.36   |

Unit : Million Baht

|   | Separate financial statement |                     |              |                  |                |                                     |                      |                      |           |                              | Total       |
|---|------------------------------|---------------------|--------------|------------------|----------------|-------------------------------------|----------------------|----------------------|-----------|------------------------------|-------------|
|   | Structures                   | Reservoirs and dams | Power plants | Equipment system | Control system | Transmission system and exploration | Communication system | Coal handling system | Machinery | Other materials and supplies |             |
| Bring forward as at Jan 1, 11   | 956.70                       | 428.98              | 4,634.98     | -                | 39.15          | 16,235.37                           | 478.73               | 600.75               | -         | 29.67                        | 29,940.09   |
| Increase during the period  | 749.02                       | 138.90              | 1,796.77     | 0.06             | 65.36          | 6,398.50                            | 211.77               | 287.57               | -         | 17.75                        | 20,921.54   |
|   | 1,705.72                     | 567.88              | 6,431.75     | 0.06             | 104.51         | 22,633.87                           | 690.50               | 888.32               | -         | 47.42                        | 50,861.63   |
| Transferred to property, plant, equipment and others                        | (904.13)                     | (175.82)            | (1,670.16)   | (0.06)           | (15.26)        | (3,905.36)                          | (94.60)              | (502.72)             | -         | (36.71)                      | (13,126.70) |
| Transferred to work under construction of transmission system               | -                            | -                   | -            | -                | -              | -                                   | -                    | -                    | -         | -                            | (3,624.02)  |
| Transferred to materials for work under construction of transmission system | -                            | -                   | -            | -                | -              | -                                   | -                    | -                    | -         | -                            | (1,425.68)  |
| Carry forward as at Dec 31, 11  | 801.59                       | 392.06              | 4,761.59     | -                | 89.25          | 18,728.51                           | 595.90               | 385.60               | -         | 10.71                        | 32,685.23   |

EGAT had work under construction project as follows:

| Project  | Unit : Million Baht              |            |                              |            |
|--|----------------------------------|------------|------------------------------|------------|
|  | Consolidated financial statement |            | Separate financial statement |            |
|  | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Expand Transmission System Project                         | 21,797.76                        | 19,000.24  | 21,797.76                    | 19,000.24  |
| Chana Combined Cycle Power Plant Project - Block 1         | 40.37                            | 40.26      | 40.37                        | 40.26      |
| Chana Combined Cycle Power Plant Project - Block 2         | 26.20                            | -          | 26.20                        | -          |
| Bang Pakong Combined Cycle Power Plant Project - Block 5   | -                                | 121.33     | -                            | 121.33     |
| North Bangkok Combined Cycle Power Plant Project - Block 1 | 38.75                            | 188.32     | 38.75                        | 188.32     |
| Wang Noi Combined Cycle Power Plant project - Block 4      | 20.39                            | -          | 20.39                        | -          |
| Others   | 11,221.89                        | 10,874.47  | 10,761.76                    | 10,589.94  |
| Total  | 33,145.36                        | 30,224.62  | 32,685.23                    | 29,940.09  |

On June 7, 2005 and October 25, 2005, the Cabinet approved Chana Combined Cycle Power Plant Project (Songkhla) amounting to Baht 16,423.65 million and South Bangkok Combined Cycle Power Plant Project - Block 3 amounting to Baht 15,873.35 million respectively.

On July 25, 2006 and December 12, 2006, the Cabinet approved Bang Pakong Combined Cycle Power Plant Project - Block 5 amounting to Baht 16,736.50 million and North Bangkok Combined Cycle Power Plant Project - Block 1 amounting to Baht 17,547 million respectively.

On February 22, 2011, the Cabinet approved Chana (Songkhla) Combined Cycle Power Plant Project - Block 2 amounting to Baht 23,724.50 million and Wang Noi Combined Cycle Power Plant Project - Block 4 amounting to Baht 21,474 million respectively.



As at December 31, 2011, the percentages of completion of the new power plants are as follows:

**Percentages of Completion**

|  |      |
|--|------|
| - Chana Combined Cycle Power Plant Project - Block 1         | 100  |
| - South Bangkok Combined Cycle Power Plant Project - Block 3 | 100  |
| - Bang Pakong Combined Cycle Power Plant Project - Block 5   | 100  |
| - North Bangkok Combined Cycle Power Plant Project - Block 1 | 100  |
| - Chana Combined Cycle Power Plant Project - Block 2         | 3.80 |
| - Wang Noi Combined Cycle Power Plant Project - Block 4      | 4.15 |

As for the plants in the following project : Power plants of Chana Combined Cycle Power Plant Project - Block 1, South Bangkok Combined Cycle Power Plant Project - Block 3, Bang Pakong Combined Cycle Power Plant Project - Block 5 and North Bangkok Combined Cycle Power Plant Project - Block 1 were completed and transferred to asset, which its commercial operation have been commenced on July 15, 2008, March 1, 2009, September 16, 2009 and November 19, 2010 respectively.

Even if EGAT announced commercial operation, EGAT has incomplete construction in the part of the additional surrounding development in the power plants (Facilities) that will be transferred to asset after completion.

## 5.12 Goodwill

Unit : Million Baht

|  | <b>Consolidated financial statement</b> |                   |
|--|---|-------------------|
|  | <b>Dec 31, 11</b>                       | <b>Dec 31, 10</b> |
| Cost at the beginning of period                                | 117.09                                  | -                 |
| Increase during the period                                     | 302.52                                  | 117.09            |
| Goodwill of subsidiaries transferred from business acquisition | 2,102.82                                | -                 |
| Goodwill from business acquisition of subsidiaries             | 1,202.96                                | -                 |
| Differences from exchange rate adjustment                      | 7.74                                    | -                 |
| Net book value as at December 31                               | <u>3,733.13</u>                         | <u>117.09</u>     |



## 5.13 Other Intangible Assets

|   | Consolidated financial statement |   |                                   |                         |                                       |                            | Unit : Million Baht |
|---|----------------------------------|---|-----------------------------------|-------------------------|---------------------------------------|----------------------------|---------------------|
|   | Land rights                      | Computer software rights and software license | Royalty on state property service | Gas piped system rights | Transmission system connection rights | Project development rights | Total               |
| Cost as at Jan 1, 11                      | 22,589.59                        | 1,695.87                                      | 474.77                            | 6.25                    | 11.38                                 | 665.51                     | 25,443.37           |
| Reclassification                          | -                                | 0.17  | -                                 | -                       | -                                     | -                          | 0.17                |
| Increase during the period                | 22,589.59                        | 1,696.04                                      | 474.77                            | 6.25                    | 11.38                                 | 665.51                     | 25,443.54           |
| Transferred from work under construction  | 968.32                           | 32.71   | -                                 | -                       | 19.58                                 | 1,752.64                   | 2,773.25            |
| Differences from exchange rate adjustment | -                                | 61.99   | -                                 | -                       | -                                     | -                          | 61.99               |
| Disposal                                  | -                                | -   | -                                 | -                       | -                                     | (23.15)                    | (23.15)             |
| Cost as at Dec 31, 11                     | 22,557.91                        | 1,740.56                                      | 474.77                            | 6.25                    | 30.96                                 | 2,395.00                   | 28,205.45           |
| Accumulated amortization as at Jan 1, 11  | (3,836.67)                       | (345.21)                                      | (235.54)                          | (1.41)                  | (4.80)                                | -                          | (4,423.63)          |
| Reclassification                          | -                                | (0.11)  | -                                 | -                       | -                                     | -                          | (0.11)              |
| Amortization for the year                 | (0.52)                           | (345.32)                                      | (235.54)                          | (1.41)                  | (4.80)                                | -                          | (4,423.74)          |
| Disposal                                  | -                                | (248.40)                                      | (6.34)                            | (0.31)                  | (1.42)                                | (66.84)                    | (323.83)            |
| Accumulated amortization as at Dec 31, 11 | (3,837.19)                       | (593.53)                                      | (241.88)                          | (1.72)                  | (6.22)                                | -                          | (4,707.11)          |
| <b>Net book value</b>                     |                                  |   |                                   |                         |                                       |                            |                     |
| As at Dec 31, 10                          | 18,752.92                        | 1,350.72                                      | 239.23                            | 4.84                    | 6.58                                  | 665.51                     | 21,019.80           |
| As at Dec 31, 11                          | 19,720.72                        | 1,187.30                                      | 232.89                            | 4.53                    | 24.74                                 | 2,328.16                   | 23,498.34           |

## Unit : Million Baht

|   | Separate financial statement |   |                                   |            | Unit : Million Baht |
|---|------------------------------|---|-----------------------------------|------------|---------------------|
|   | Land rights                  | Computer software rights and software license | Royalty on state property service | Total      |                     |
| Cost as at Jan 1, 11                      | 22,589.59                    | 1,679.97                                      | 474.77                            | 24,744.33  |                     |
| Increase during the period                | 968.32                       | 24.13   | -                                 | 992.45     |                     |
| Transferred from work under construction  | -                            | 61.99   | -                                 | 61.99      |                     |
| Disposal                                  | -                            | (50.09)                                       | -                                 | (50.09)    |                     |
| Cost as at Dec 31, 11                     | 23,557.91                    | 1,716.00                                      | 474.77                            | 25,748.68  |                     |
| Accumulated amortization as at Jan 1, 11  | (3,836.67)                   | (335.64)                                      | (235.54)                          | (4,407.85) |                     |
| Amortization for the year                 | (0.52)                       | (245.52)                                      | (6.34)                            | (252.38)   |                     |
| Disposal                                  | -                            | 40.42   | -                                 | 40.42      |                     |
| Accumulated amortization as at Dec 31, 11 | (3,837.19)                   | (540.74)                                      | (241.88)                          | (4,619.81) |                     |
| <b>Net book value</b>                     |                              |   |                                   |            |                     |
| As at Dec 31, 10                          | 18,752.92                    | 1,344.33                                      | 239.23                            | 20,336.48  |                     |
| As at Dec 31, 11                          | 19,720.72                    | 1,175.26                                      | 232.89                            | 21,128.87  |                     |



**5.14 Land Awaiting Development**

Unit : Million Baht

|   | Consolidated financial statement |            | Separate financial statement |            |
|---|----------------------------------|------------|------------------------------|------------|
|   | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Balance at the beginning of period      | 2,541.45                         | 2,541.20   | 2,236.23                     | 2,236.23   |
| <b>Add :</b> Increase during the period | 0.17                             | 0.25       | -                            | -          |
| Reclassification                        | 3.28                             | -          | 3.28                         | -          |
|   | 2,544.90                         | 2,541.45   | 2,239.51                     | 2,236.23   |
| <b>Less:</b> Accumulated impairment     | (423.43)                         | (423.43)   | (423.43)                     | (423.43)   |
| Balance at the end of period            | 2,121.47                         | 2,118.02   | 1,816.08                     | 1,812.80   |

As at December 31, 2011, EGAT has had the land awaiting development of Baht 1,816.08 million appropriated for construction of new power plants to support the additional demand of electric energy. Due to the change in power development planning, the construction of new power plants has been postponed. Details of the land awaiting development are as follows:

- Land at Ao-Phai, Chonburi Province of 122 Rai is valued at Baht 9.05 million.
- Land at Tap Sakae, Prachuap Khiri Khan Province of 4,029 Rai is valued at Baht 2,223.43 million with accumulated impairment in the amount of Baht 423.43 million. As a result, the net book value of land was Baht 1,800 million.
- Land surrounding Carrier Gas Station on Phet Kasem Road at Ratchaburi Province of 37 Rai is valued at Baht 3.75 million.
- Land surrounding Bannasan substation at Nampu, Bannasan, Suratthani Province is valued at Baht 3.28 million.

Land for operation which recorded under property, plant and equipment was reclassified because the land is small-sized and not enough area for 500/230 KV substation construction. Therefore, there is no plan for develop or apply for anything.



## 5.15 Income Taxes and Deferred Taxes

### 5.15.1 Deferred tax assets and deferred tax liabilities

|                          |  | Unit : Million Baht              |            |
|--------------------------|--|----------------------------------|------------|
|                          |  | Consolidated financial statement |            |
|                          |  | Dec 31, 11                       | Dec 31, 10 |
| Deferred tax assets      |  | 189.63                           | 135.42     |
| Deferred tax liabilities |  | (2,039.39)                       | -          |
| Total                    |  | (1,849.76)                       | 135.42     |

### 5.15.2 Income tax expenses recognized in the statements of income

|  |  | Consolidated financial statement |            |
|--|--|----------------------------------|------------|
|  |  | Dec 31, 11                       | Dec 31, 10 |
| Income tax   |  |                                  |            |
| Current income tax   |  | 1,898.00                         | 1,276.84   |
| Income tax of previous year which is under (over) recorded |  | 16.15                            | (4.93)     |
| Total  |  | 1,914.15                         | 1,271.91   |
| Deferred tax   |  |                                  |            |
| Change in temporary differences                            |  | (179.68)                         | (5.36)     |
| Decrease in tax rate                                       |  | 87.75                            | -          |
| Total  |  | (91.93)                          | (5.36)     |
| Grand total  |  | 1,822.22                         | 1,266.55   |





### 5.15.3 Movements in deferred tax assets and deferred tax liabilities

| Consolidated financial statement       |  |                      |                                       |                            |                      | Unit : Million Baht |
|--|--|----------------------|---------------------------------------|----------------------------|----------------------|---------------------|
| As at Jan 1, 11                        | Change in income tax as a result of the adoption of employee benefit | Business acquisition | (Charged)/credited to: Profit or loss | Other comprehensive income | Exchange differences | As at Dec 31, 11    |
| Deferred tax assets                    |  |                      |                                       |                            |                      |                     |
|  | 133.73   | -                    | (32.73)                               | -                          | -                    | 101.00              |
| Allowance for spare parts and supplies |  |                      |                                       |                            |                      |                     |
| Provision for employee benefits        | 1.67   | -                    | (4.75)                                | -                          | -                    | 16.63               |
| Available-for-sale security            | -  | -                    | -                                     | 6.13                       | -                    | 6.13                |
| Losses carry forward                   | -  | -                    | 65.90                                 | -                          | -                    | 65.90               |
| Finance leases liabilities             | 0.02   | -                    | (0.05)                                | -                          | -                    | (0.03)              |
|  | 135.42   | 19.71                | 28.37                                 | 6.13                       | -                    | 189.63              |
| Deferred tax liabilities               |  |                      |                                       |                            |                      |                     |
| Finance leases liabilities             | -  | (2,153.57)           | 89.22                                 | -                          | 30.43                | (2,033.92)          |
| Deferred expenses                      | -  | 90.20                | (52.00)                               | -                          | (2.34)               | 35.86               |
| Other account receivable               | -  | (73.56)              | 18.89                                 | -                          | 1.39                 | (53.28)             |
| Others                                 | -  | 4.40                 | 7.44                                  | -                          | 0.11                 | 11.95               |
|  | -  | (2,132.53)           | 63.55                                 | -                          | 29.59                | (2,039.39)          |

| Consolidated financial statement       |  |                      |                                       |                            |                      | Unit : Million Baht |
|--|--|----------------------|---------------------------------------|----------------------------|----------------------|---------------------|
| As at Jan 1, 10                        | Change in income tax as a result of the adoption of employee benefit | Business acquisition | (Charged)/credited to: Profit or loss | Other comprehensive income | Exchange differences | As at Dec 31, 10    |
| Deferred tax assets                    |  |                      |                                       |                            |                      |                     |
| Allowance for spare parts and supplies | 125.20   | -                    | 8.53                                  | -                          | -                    | 133.73              |
| Provision                              | 3.17   | -                    | (3.17)                                | -                          | -                    | -                   |
| Provision for employee benefits        | 1.69   | -                    | (0.02)                                | -                          | -                    | 1.67                |
| Finance leases liabilities             | -  | -                    | 0.02                                  | -                          | -                    | 0.02                |
|  | 130.06   | -                    | 5.36                                  | -                          | -                    | 135.42              |

## 5.16 Other Non-Current Assets

Unit : Million Baht

|  | Consolidated financial statement |   |                       |                         |             |
|--|----------------------------------|---|-----------------------|-------------------------|-------------|
|  | Overburden<br>removal<br>costs   | Minerals<br>resource<br>exploration and<br>preliminary<br>development costs | Resettlement<br>costs | Mineral<br>Patent costs | Total       |
| <b>- Deferred Charges of the Lignite Mine</b>    |                                  |   |                       |                         |             |
| Deferred charges as at Jan 1, 11                 | 79,000.93                        | 645.67  | 1,988.44              | 88.28                   | 81,723.32   |
| Increase during the period                       | 4,415.91                         | -   | -                     | 192.86                  | 4,608.77    |
| Deferred charges as at Dec 31, 11                | 83,416.84                        | 645.67  | 1,988.44              | 281.14                  | 86,332.09   |
| Amortization as at Jan 1, 11                     | (79,000.93)                      | (283.61)  | (1,529.25)            | (24.51)                 | (80,838.30) |
| Increase during the period                       | (4,415.91)                       | (9.30)  | (47.37)               | (10.73)                 | (4,483.31)  |
| Amortization as at Dec 31, 11                    | (83,416.84)                      | (292.91)  | (1,576.62)            | (35.24)                 | (85,321.61) |
| Net book value                                   |                                  |   |                       |                         |             |
| As at Dec 31, 10                                 | -                                | 362.06  | 459.19                | 63.77                   | 885.02      |
| As at Dec 31, 11                                 | -                                | 352.76  | 411.82                | 245.90                  | 1,010.48    |
| <b>- Others</b>                                  |                                  |   |                       |                         |             |
| As at Dec 31, 10                                 |                                  |   |                       |                         | 2,038.08    |
| Adjustment                                       |                                  |   |                       |                         | 176.99      |
|  |                                  |   |                       |                         | 2,215.07    |
| Reclassification                                 |                                  |   |                       |                         | (135.41)    |
| As at Dec 31, 10 - restated                      |                                  |   |                       |                         | 2,079.66    |
| As at Dec 31, 11                                 |                                  |   |                       |                         | 2,539.58    |
| <b>- Total other non-current assets</b>          |                                  |   |                       |                         |             |
| As at Dec 31, 10 - restated and reclassification |                                  |   |                       |                         | 2,964.68    |
| As at Dec 31, 11                                 |                                  |   |                       |                         | 3,550.06    |

Unit : Million Baht

|   | Separate financial statement   |   |                       |                         |             |
|---|--------------------------------|---|-----------------------|-------------------------|-------------|
|   | Overburden<br>removal<br>costs | Minerals<br>resource<br>exploration and<br>preliminary<br>development costs | Resettlement<br>costs | Mineral<br>Patent costs | Total       |
| <b>- Deferred Charges of the Lignite Mine</b> |                                |   |                       |                         |             |
| Deferred charges as at Jan 1, 11              | 79,000.93                      | 645.67  | 1,988.44              | 88.28                   | 81,723.32   |
| Increase during the period                    | 4,415.91                       | -   | -                     | 192.86                  | 4,608.77    |
| Deferred charges as at Dec 31, 11             | 83,416.84                      | 645.67  | 1,988.44              | 281.14                  | 86,332.09   |
| Amortization as at Jan 1, 11                  | (79,000.93)                    | (283.61)  | (1,529.25)            | (24.51)                 | (80,838.30) |
| Increase during the period                    | (4,415.91)                     | (9.30)  | (47.37)               | (10.73)                 | (4,483.31)  |
| Amortization as at Dec 31, 11                 | (83,416.84)                    | (292.91)  | (1,576.62)            | (35.24)                 | (85,321.61) |
| Net book value                                |                                |   |                       |                         |             |
| As at Dec 31, 10                              | -                              | 362.06  | 459.19                | 63.77                   | 885.02      |
| As at Dec 31, 11                              | -                              | 352.76  | 411.82                | 245.90                  | 1,010.48    |
| <b>- Others</b>                               |                                |   |                       |                         |             |
| As at Dec 31, 10                              |                                |   |                       |                         | 853.67      |
| As at Dec 31, 11                              |                                |   |                       |                         | 819.74      |
| <b>- Total other non-current assets</b>       |                                |   |                       |                         |             |
| As at Dec 31, 10                              |                                |   |                       |                         | 1,738.69    |
| As at Dec 31, 11                              |                                |   |                       |                         | 1,830.22    |

**5.17 Trade Accounts Payable - Other**

Unit : Million Baht

|   | Consolidated financial statement |            | Separate financial statement |            |
|---|----------------------------------|------------|------------------------------|------------|
|   | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Neighbouring countries' supply                  | 1,931.90                         | 1,425.64   | 1,931.90                     | 1,425.64   |
| Independent Power Producer : IPP                | 5,610.48                         | 3,754.82   | 5,610.48                     | 3,754.82   |
| Small Power Producer : SPP                      | 6,804.78                         | 5,038.64   | 6,804.78                     | 5,038.64   |
| Trade payable - fuel for electricity generating | 8,105.89                         | 8,068.59   | 8,105.89                     | 8,068.59   |
| Trade payable - fuel for providing              | 2,111.42                         | 1,575.16   | 2,111.42                     | 1,575.16   |
| Others  | 6,979.50                         | 7,046.62   | 2,392.15                     | 2,359.48   |
| Total   | 31,543.97                        | 26,909.47  | 26,956.62                    | 22,222.33  |

**5.18 Accrued Remittance to the Ministry of Finance**

In the year 2011, the Ministry of Finance prescribes that EGAT has to calculate the accrued remittance to the Ministry of Finance in 45% of net income before provision of bonus expenses but formerly, it was 40%. However, the amount of remittance may vary depending on the revision from the Ministry of Finance.

As at January 1, 2011, EGAT has accrued remittance to the Ministry of Finance in the amount of Baht 8,647.54 million. EGAT increased in provision for remittance to the Ministry of Finance in the amount of Baht 28.46 million and on April 7, 2011, EGAT remit to the Ministry of Finance in the amount of Baht 8,676 million.

As at December 31, 2011, EGAT recorded the provision for the remittance to the Ministry of Finance for the year 2011 in the amount of Baht 15,442.68 million. However, on October 25, 2011, EGAT remitted for the six months ended June 30, 2011 in the amount of Baht 8,399 million, therefore, EGAT has accrued remittance to the Ministry of Finance in the amount of Baht 7,043.68 million as at December 31, 2011.

**5.19 Long-Term loans are as follows :**

Unit : Million Baht

|   | Consolidated financial statement |             | Separate financial statement |             |
|---|----------------------------------|-------------|------------------------------|-------------|
|   | Dec 31, 11                       | Dec 31, 10  | Dec 31, 11                   | Dec 31, 10  |
| Long - term loans                           | 103,548.63                       | 114,536.04  | 86,095.13                    | 94,259.26   |
| Increase during the period                  | 20,266.44                        | 4,598.50    | -                            | 4,000.00    |
| Increase from business acquisition          | 15,054.65                        | -           | -                            | -           |
| Repayments                                  | (37,280.68)                      | (15,128.91) | (19,745.40)                  | (11,707.13) |
| (Gain) Loss on repayments                   | 6.06                             | (113.91)    | 6.06                         | (113.91)    |
| (Gain) Loss on exchange rate adjustment     |                                  |             |                              |             |
| Currency Translation                        | 210.37                           | (343.09)    | 139.70                       | (343.09)    |
| Total                                       | 101,805.47                       | 103,548.63  | 66,495.49                    | 86,095.13   |
| Less : Current portion of long - term loans | (18,639.25)                      | (20,642.71) | (14,730.16)                  | (17,025.24) |
| Balance                                     | 83,166.22                        | 82,905.92   | 51,765.33                    | 69,069.89   |



Long - Term loans are as follows :

|  | Consolidated financial statement |                         |                |                         |
|--|----------------------------------|-------------------------|----------------|-------------------------|
|  | Dec 31, 11                       |                         | Dec 31, 10     |                         |
|  | Foreign                          | Million Baht            | Foreign        | Million Baht            |
|  | currencies                       |                         | currencies     |                         |
|  | Unit : million                   |                         | Unit : million |                         |
| <b>Local sources secured by the Ministry of Finance:</b>     |                                  |                         |                |                         |
| <b>EGAT bonds</b>  |                                  |                         |                |                         |
| Fixed rate due within 2012 - 2020                            | -                                | 12,000.00               | -              | 19,300.00               |
|  |                                  | <u>12,000.00</u>        |                | <u>19,300.00</u>        |
| <b>Local sources unsecured by the Ministry of Finance:</b>   |                                  |                         |                |                         |
| <b>Ministry of Finance loans</b>                             |                                  |                         |                |                         |
| Fixed rate due within 2012 - 2027                            | -                                | 93.04                   | -              | 97.62                   |
| <b>EGAT bonds</b>  |                                  |                         |                |                         |
| Fixed rate due within 2012 - 2024                            | -                                | 49,385.90               | -              | 58,100.00               |
| <b>Debenture</b>   |                                  |                         |                |                         |
| Fixed rate due within 2012 - 2015                            | -                                | 13,236.17               | -              | -                       |
| <b>Other financial institutions</b>                          |                                  |                         |                |                         |
| Fixed rate due in 2012                                       | -                                | 2,000.00                | -              | 2,000.00                |
| Floating rate due within 2012 - 2020                         | -                                | 852.25                  | -              | 17,453.50               |
| Fixed rate due in 2016                                       | -                                | <u>1,200.00</u>         | -              | <u>-</u>                |
|  |                                  | <u>66,767.36</u>        |                | <u>77,651.12</u>        |
| <b>Foreign sources secured by the Ministry of Finance:</b>   |                                  |                         |                |                         |
| <b>Loans</b>   |                                  |                         |                |                         |
| <b>US Dollars:</b>   |                                  |                         |                |                         |
| Fixed rate due in 2011                                       | -                                | -                       | 0.41           | 12.33                   |
| <b>Japanese Yen:</b>   |                                  |                         |                |                         |
| Fixed rate due within 2012 - 2013                            | 2,196.74                         | 905.95                  | 11,574.13      | 4,331.25                |
| <b>Euro:</b>   |                                  |                         |                |                         |
| Fixed rate due within 2012 - 2014                            | 0.26                             | 10.76                   | 0.35           | 13.97                   |
| Fixed rate due within 2012 - 2037                            | 50.79                            | 2,099.84                | 55.66          | 2,239.96                |
| <b>Foreign sources unsecured by the Ministry of Finance:</b> |                                  |                         |                |                         |
| <b>Loans</b>   |                                  |                         |                |                         |
| <b>AUD Dollars:</b>  |                                  |                         |                |                         |
| Floating rate due within 2012 - 2015                         | 461.40                           | 13,879.49               | -              | -                       |
| <b>Debenture</b>   |                                  |                         |                |                         |
| <b>Japanese Yen:</b>   |                                  |                         |                |                         |
| Fixed rate due in 2026                                       | 15,000.00                        | <u>6,142.07</u>         | -              | <u>-</u>                |
|  |                                  | <u>23,038.11</u>        |                | <u>6,597.51</u>         |
| <b>Total</b>   |                                  | <u>101,805.47</u>       |                | <u>103,548.63</u>       |
| <b>Less: Current portion of long-term loans</b>              |                                  | <u>(18,639.25)</u>      |                | <u>(20,642.71)</u>      |
| <b>Balance</b>   |                                  | <u><u>83,166.22</u></u> |                | <u><u>82,905.92</u></u> |

| Separate financial statement                               |                |              |                |              |
|--|----------------|--------------|----------------|--------------|
|  | Dec 31, 11     |              | Dec 31, 10     |              |
|  | Foreign        | Million Baht | Foreign        | Million Baht |
|  | currencies     |              | currencies     |              |
|  | Unit : million |              | Unit : million |              |
| <b>Local sources secured by the Ministry of Finance:</b>   |                |              |                |              |
| <b>EGAT bonds</b>  |                |              |                |              |
| Fixed rate due within 2012 - 2020                          | -              | 12,000.00    | -              | 19,300.00    |
|  |                | 12,000.00    |                | 19,300.00    |
| <b>Local sources unsecured by the Ministry of Finance:</b> |                |              |                |              |
| <b>Ministry of Finance loans</b>                           |                |              |                |              |
| Fixed rate due within 2012 - 2027                          | -              | 93.04        | -              | 97.62        |
| <b>EGAT bonds</b>  |                |              |                |              |
| Fixed rate due within 2012 - 2024                          | -              | 49,385.90    | -              | 58,100.00    |
| <b>Other financial institutions</b>                        |                |              |                |              |
| Fixed rate due in 2012                                     | -              | 2,000.00     | -              | 2,000.00     |
|  |                | 51,478.94    |                | 60,197.62    |
| <b>Foreign sources secured by the Ministry of Finance:</b> |                |              |                |              |
| <b>Loans</b>   |                |              |                |              |
| <b>US Dollars:</b>   |                |              |                |              |
| Fixed rate due in 2011                                     | -              | -            | 0.41           | 12.33        |
| <b>Japanese Yen:</b>                                       |                |              |                |              |
| Fixed rate due within 2012 - 2013                          | 2,196.74       | 905.95       | 11,574.13      | 4,331.25     |
| <b>Euro:</b>   |                |              |                |              |
| Fixed rate due within 2012 - 2014                          | 0.26           | 10.76        | 0.35           | 13.97        |
| Fixed rate due within 2012 - 2037                          | 50.79          | 2,099.84     | 55.66          | 2,239.96     |
|  |                | 3,016.55     |                | 6,597.51     |
| <b>Total</b>   |                | 66,495.49    |                | 86,095.13    |
| <b>Less: Current portion of long-term loans</b>            |                | (14,730.16)  |                | (17,025.24)  |
| <b>Balance</b>   |                | 51,765.33    |                | 69,069.89    |



As at December 31, 2011 and 2010, long - term loans can be classified by interest rate as follows:

|               | Unit : Million Baht              |            |                              |            |
|---------------|----------------------------------|------------|------------------------------|------------|
|               | Consolidated financial statement |            | Separate financial statement |            |
|               | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Floating rate | 14,731.74                        | 17,453.50  | -                            | -          |
| Fixed rate    | 87,073.73                        | 86,095.13  | 66,495.49                    | 86,095.13  |
| Total         | 101,805.47                       | 103,548.63 | 66,495.49                    | 86,095.13  |

Interest rate of long-term loans as at December 31, 2011 are as follows:

|                            | Consolidated financial statement | Separate financial statement |
|----------------------------|----------------------------------|------------------------------|
| EGAT bonds - local sources | 2.470% to 8.554%                 | 2.470% to 8.554%             |
| Loans - local sources      | 2.900% to 5.350%                 | 2.900% to 3.000%             |
| Loans - foreign sources    | 0.000% to 8.000%                 | 0.000% to 8.000%             |
| Debenture                  | 2.720% to 3.940%                 |                              |

## 5.20 Employee Benefit Obligations

EGAT's employees will receive retirement benefits under Thai labour law when employees has completed their terms in accordance with agreements between employees and EGAT. Employee benefits liability is a defined benefits obligation calculated by using the projected unit credit method on an actuarial basis. This basis determines the present value of future payments by discounting the future cash flows using the yields on government bonds with a currency and term similar to the estimated term of the benefit obligations. Any expenses related to benefits are recognized in profit or loss in order to attribute benefits to periods of service.

Movement in the present value of the defined benefit obligations:

|                                      | Unit : Million Baht              |            |                              |            |
|--------------------------------------|----------------------------------|------------|------------------------------|------------|
|                                      | Consolidated financial statement |            | Separate financial statement |            |
|                                      | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Beginning balance                    | -                                | -          | -                            | -          |
| Restatement                          | 11,818.68                        | 11,414.13  | 11,818.35                    | 11,413.87  |
| Beginning Retained Earnings-restated | 65.71                            | -          | -                            | -          |
| Beginning balance (restated)         | 11,884.39                        | 11,414.13  | 11,818.35                    | 11,413.87  |
| Current service costs                | 522.89                           | 487.45     | 507.37                       | 487.39     |
| Interest on obligations              | 474.94                           | 456.91     | 472.36                       | 456.90     |
| Actual payment                       | (727.05)                         | (539.81)   | (723.59)                     | (539.81)   |
| Ending balance                       | 12,155.17                        | 11,818.68  | 12,074.49                    | 11,818.35  |

Since January 1, 2011, EGAT, subsidiaries and jointly controlled entities have recognized employee retirement benefits expense as liabilities. The amount of employee retirement benefits is recorded by using the evaluation result from an actuary (actuarial valuation) calculated based on assumptions of employee salary, turnover rates, age to retirement, mortality rates, service years and other factors. EGAT and jointly controlled entities have adopted and applied the new standard retrospectively. But one of subsidiaries has adjusted retained earnings at January 1, 2011 and the other recorded employee retirement benefits obligation as expense in the year 2011.

Expenses recognized in the statements of income and as part of cost of assets / liabilities are shown in the statement of financial position for the years ended December 31, 2011 and 2010 are as follows:

|  | Unit : Million Baht              |                  |                              |                  |
|--|----------------------------------|------------------|------------------------------|------------------|
|  | Consolidated financial statement |                  | Separate financial statement |                  |
|  | Jan 1-Dec 31, 11                 | Jan 1-Dec 31, 10 | Jan 1-Dec 31, 11             | Jan 1-Dec 31, 10 |
| Expenses realized in statements of income                                |                                  |                  |                              |                  |
| Cost of sales  | 558.68                           | 585.74           | 558.68                       | 585.74           |
| Selling expenses   | 4.91                             | 3.87             | 4.91                         | 3.87             |
| Administrative expenses  | 329.28                           | 287.30           | 316.79                       | 287.23           |
| Management remuneration  | 9.87                             | 3.79             | 4.26                         | 3.79             |
| Total  | 902.74                           | 880.70           | 884.64                       | 880.63           |
| Cost of assets / liabilities realized in statement of financial position |                                  |                  |                              |                  |
| Materials and supplies   | 31.15                            | 24.92            | 31.15                        | 24.92            |
| Work under construction  | 62.65                            | 37.62            | 62.65                        | 37.62            |
| Provision liabilities for mine reclamation                               | 1.29                             | 1.12             | 1.29                         | 1.12             |
| Total  | 95.09                            | 63.66            | 95.09                        | 63.66            |
| Grand Total  | 997.83                           | 944.36           | 979.73                       | 944.29           |



#### Principle actuarial assumptions of EGAT

|  | Annual percentage (%) |
|--|-----------------------|
| Discount rate  | 4.1                   |
| Inflation rate   |                       |
| • Consumer price index   | 3.5                   |
| • Post-employment medical care                                   | 10                    |
| Resignation rate   | 0.0 - 1               |
| Salary escalation rate   | 6 - 11                |
| Mortality rate, by table 'TM097' (Thai mortality table A.D.1997) |                       |

#### 5.21 Provision Liabilities for Mine Reclamation

|   | Unit : Million Baht              |            |                              |            |
|---|----------------------------------|------------|------------------------------|------------|
|   | Consolidated financial statement |            | Separate financial statement |            |
|   | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| Balance at the beginning of period      | 1,923.31                         | 1,857.58   | 1,923.31                     | 1,857.58   |
| <b>Add :</b> Increase during the period | 112.31                           | 97.31      | 112.31                       | 97.31      |
|   | 2,035.62                         | 1,954.89   | 2,035.62                     | 1,954.89   |
| <b>Less :</b> Mine reclamation expenses | (49.08)                          | (27.88)    | (49.08)                      | (27.88)    |
| Depreciation                            | (3.84)                           | (3.70)     | (3.84)                       | (3.70)     |
| Balance at the end of period            | 1,982.70                         | 1,923.31   | 1,982.70                     | 1,923.31   |

#### 5.22 Other Non-Current Liabilities

|  | Unit : Million Baht              |            |                              |            |
|--|----------------------------------|------------|------------------------------|------------|
|  | Consolidated financial statement |            | Separate financial statement |            |
|  | Dec 31, 11                       | Dec 31, 10 | Dec 31, 11                   | Dec 31, 10 |
| <b>- Deferred Income</b>   |                                  |            |                              |            |
| Balance at the beginning of period                                 | 5,567.89                         | 5,297.85   | 5,567.89                     | 5,297.85   |
| <b>Add :</b> Contribution received                                 | 599.44                           | 535.07     | 599.44                       | 535.07     |
| Accrued revenue-Deferred contribution                              | -                                | 160.42     | -                            | 160.42     |
|  | 6,167.33                         | 5,993.34   | 6,167.33                     | 5,993.34   |
| <b>Less :</b> Recognized to other revenue                          | (363.83)                         | (421.91)   | (363.83)                     | (421.91)   |
| Assets refund to contributor                                       | (49.20)                          | -          | (49.20)                      | -          |
| Refund to contributor  | (596.73)                         | (2.20)     | (596.73)                     | (2.20)     |
| Decrease in depreciation   | (1.34)                           | (1.34)     | (1.34)                       | (1.34)     |
| Balance at the end of period                                       | 5,156.23                         | 5,567.89   | 5,156.23                     | 5,567.89   |
| <b>- Retention</b>   | 2,449.08                         | 3,018.61   | 2,449.08                     | 3,018.61   |
| <b>- Provision for contributions to provident fund</b>             | -                                | 738.41     | -                            | 738.41     |
| <b>- Cash received from breaking agreement in case of conflict</b> | 840.72                           | 840.72     | 840.72                       | 840.72     |
| <b>- Others</b>  | 1,615.56                         | 1,118.95   | 1,233.32                     | 1,136.82   |
| Total  | 10,061.59                        | 11,284.58  | 9,679.35                     | 11,302.45  |



**5.23 Equity****- Contribution from The Government****Unit : Million Baht**

|   | <b>Consolidated financial statement</b> |                   | <b>Separate financial statement</b> |                   |
|---|---|-------------------|-------------------------------------|-------------------|
|   | <b>Dec 31, 11</b>                       | <b>Dec 31, 10</b> | <b>Dec 31, 11</b>                   | <b>Dec 31, 10</b> |
| Capital   | 6,507.64                                | 6,507.64          | 6,507.64                            | 6,507.64          |
| Contribution for supporting construction of the<br>Srinagarind, Bang Lang, Vajiralongkorn,<br>Rajjaprabha and Pak Mun Dam | 4,364.75                                | 4,364.75          | 4,364.75                            | 4,364.75          |
| <b>Less : Accumulated depreciation</b>  | (1,683.41)                              | (1,621.08)        | (1,683.41)                          | (1,621.08)        |
| Depreciation for the period   | (62.34)                                 | (62.33)           | (62.34)                             | (62.33)           |
|   | 2,619.00                                | 2,681.34          | 2,619.00                            | 2,681.34          |
| Balance   | 9,126.64                                | 9,188.98          | 9,126.64                            | 9,188.98          |

**5.24 Revenue from Sales of Other Goods and Services****Unit : Million Baht**

|  | <b>Consolidated financial statement</b> |                         | <b>Separate financial statement</b> |                         |
|--|---|-------------------------|-------------------------------------|-------------------------|
|  | <b>Jan 1-Dec 31, 11</b>                 | <b>Jan 1-Dec 31, 10</b> | <b>Jan 1-Dec 31, 11</b>             | <b>Jan 1-Dec 31, 10</b> |
| Revenue from telecommunication<br>services                     | 380.50                                  | 359.56                  | 380.50                              | 359.56                  |
| Revenue from fuel providing                                    | 16,662.24                               | 19,923.53               | 19,284.48                           | 21,336.75               |
| Revenue from running the machinery<br>and maintenance services | 876.91                                  | 872.68                  | 2,325.10                            | 1,869.90                |
| Others   | 1,148.14                                | 830.31                  | 710.21                              | 344.98                  |
| Total  | 19,067.79                               | 21,986.08               | 22,700.29                           | 23,911.19               |

EGAT has the revenue from telecommunication business, which has been approved to operate telecommunication business by The National Telecommunications Commission on March 15, 2007.

**5.25 Cost of Electric Energy Sales****Unit : Million Baht**

|                           | <b>Consolidated financial statement</b> |                         | <b>Separate financial statement</b> |                         |
|---------------------------|---|-------------------------|-------------------------------------|-------------------------|
|                           | <b>Jan 1-Dec 31, 11</b>                 | <b>Jan 1-Dec 31, 10</b> | <b>Jan 1-Dec 31, 11</b>             | <b>Jan 1-Dec 31, 10</b> |
| Electric energy purchased | 174,182.03                              | 163,364.77              | 215,445.98                          | 205,715.10              |
| Fuel                      | 133,014.68                              | 129,936.86              | 103,605.31                          | 98,476.91               |
| Generating expenses       | 31,944.79                               | 27,735.22               | 25,678.41                           | 22,928.54               |
| Transmission expenses     | 9,377.66                                | 9,279.85                | 9,377.66                            | 9,279.85                |
| Total                     | 348,519.16                              | 330,316.70              | 354,107.36                          | 336,400.40              |



## 5.26 Cost of Sales of Other Goods and Services

|   | Unit : Million Baht              |                  |                              |                  |
|---|----------------------------------|------------------|------------------------------|------------------|
|   | Consolidated financial statement |                  | Separate financial statement |                  |
|   | Jan 1-Dec 31, 11                 | Jan 1-Dec 31, 10 | Jan 1-Dec 31, 11             | Jan 1-Dec 31, 10 |
| Cost of telecommunication services                        | 84.36                            | 8.21             | 84.36                        | 8.21             |
| Cost of fuel providing                                    | 16,662.24                        | 19,923.53        | 19,284.48                    | 21,336.75        |
| Cost of running the machinery<br>and maintenance services | 753.85                           | 835.36           | 1,847.27                     | 1,551.86         |
| Others  | 332.99                           | 169.86           | 391.57                       | 173.39           |
| Total   | 17,833.44                        | 20,936.96        | 21,607.68                    | 23,070.21        |

EGAT recorded cost of telecommunication services to dual with revenue from telecommunication services since March 15, 2007 that EGAT has received the approval to operate telecommunication business by The National Telecommunications Commission. However, cost of telecommunication services excludes selling expense, administrative expense and finance cost, which each of expenses is shown in each of categories of expenses in statements of income.

## 5.27 Other Revenues

|  | Unit : Million Baht              |                  |                              |                  |
|--|----------------------------------|------------------|------------------------------|------------------|
|  | Consolidated financial statement |                  | Separate financial statement |                  |
|  | Jan 1-Dec 31, 11                 | Jan 1-Dec 31, 10 | Jan 1-Dec 31, 11             | Jan 1-Dec 31, 10 |
| Interest income                                      | 1,977.96                         | 831.99           | 1,393.42                     | 598.13           |
| Dividend income                                      | 60.06                            | -                | 2,170.44                     | 2,170.44         |
| Profit on disposal of assets                         | 1.84                             | 38.61            | 2.56                         | 36.52            |
| Gains on foreign exchange                            | -                                | 710.42           | -                            | 661.70           |
| Gains on changes in the fair value<br>of derivatives | 296.39                           | 199.94           | 296.39                       | 199.94           |
| Contribution income                                  | 236.00                           | 329.80           | 236.00                       | 329.80           |
| Fine income  | 92.77                            | 780.09           | 92.77                        | 780.09           |
| Income on disposal of fly ash and scrap              | 314.02                           | 321.50           | 314.02                       | 321.50           |
| Miscellaneous income                                 | 394.36                           | 104.98           | 394.28                       | 104.93           |
| Others   | 506.48                           | 343.49           | 393.43                       | 267.06           |
| Total  | 3,879.88                         | 3,660.82         | 5,293.31                     | 5,470.11         |



**5.28 Other Expenses**

Unit : Million Baht

|                               | Consolidated financial statement |                  | Separate financial statement |                  |
|-------------------------------|----------------------------------|------------------|------------------------------|------------------|
|                               | Jan 1-Dec 31, 11                 | Jan 1-Dec 31, 10 | Jan 1-Dec 31, 11             | Jan 1-Dec 31, 10 |
| Loss on foreign exchange rate | 652.18                           | -                | 613.67                       | -                |
| Others                        | 2.31                             | 38.76            | 2.31                         | 7.35             |
| Total                         | 654.49                           | 38.76            | 615.98                       | 7.35             |

**5.29 Share of Profit from Associates**

In the year 2011, EGAT recognized a Baht 1,199.82 million share of profit from its associates. They comprise a Baht 1,200.32 million share of profit from Electricity Generating Plc., a Baht 0.41 million share of loss of First Korat Wind Co., Ltd. and a Baht 0.09 million share of loss from K.R. Two Co., Ltd.

**5.30 Finance Cost**

Unit : Million Baht

|   | Consolidated financial statement |                                |                        |                        |
|---|----------------------------------|--------------------------------|------------------------|------------------------|
|   | Interest expenses                | Expenses relating to the loans | Total Jan 1-Dec 31, 11 | Total Jan 1-Dec 31, 10 |
| Capitalized to work under construction    | 303.55                           | 2.64                           | 306.19                 | 629.11                 |
| Finance costs in the statements of income | 5,205.21                         | 219.17                         | 5,424.38               | 4,457.36               |
| Total                                     | 5,508.76                         | 221.81                         | 5,730.57               | 5,086.47               |

Unit : Million Baht

|   | Separate financial statement |                                |                        |                        |
|---|------------------------------|--------------------------------|------------------------|------------------------|
|   | Interest expenses            | Expenses relating to the loans | Total Jan 1-Dec 31, 11 | Total Jan 1-Dec 31, 10 |
| Capitalized to work under construction    | 302.67                       | 0.13                           | 302.80                 | 629.11                 |
| Finance costs in the statements of income | 3,458.42                     | 2.04                           | 3,460.46               | 3,719.62               |
| Total                                     | 3,761.09                     | 2.17                           | 3,763.26               | 4,348.73               |



### 5.31 Performance of EGAT

The performance of EGAT in net income of 2011 was Baht 30,704.17 million. EGAT recorded the provision of expenses and liabilities of bonus for employees and directors in the amount of Baht 3,612.91 million for the 2011 financial statements.

In April 2011, the Ministry of Finance approved EGAT to allocate the 2010 net income for bonus payment to the employees and directors in the amount of Baht 4,094.29 million. So, EGAT recorded the difference of the provision of bonus in 2010 in the amount of Baht 4,123.18 million and bonus of 2010 which approved in the year 2011 in the amount of Baht 28.89 million , that brought about to reduce the expenses in the year 2011.

### 5.32 Expenses by Nature

|   | Unit : Million Baht              |                  |                              |                  |
|---|----------------------------------|------------------|------------------------------|------------------|
|   | Consolidated financial statement |                  | Separate financial statement |                  |
|   | Jan 1-Dec 31, 11                 | Jan 1-Dec 31, 10 | Jan 1-Dec 31, 11             | Jan 1-Dec 31, 10 |
| Electric energy purchased                     | 174,182.03                       | 163,364.77       | 215,445.98                   | 205,715.10       |
| Work performed by the entity and capitalized  | (11,171.14)                      | (15,878.58)      | (11,171.14)                  | (15,878.58)      |
| Raw materials and consumables used            | 134,300.73                       | 134,658.44       | 107,163.69                   | 104,425.47       |
| Management benefit expenses                   | 345.84                           | 265.87           | 135.82                       | 141.67           |
| Employee benefit expenses                     | 27,636.18                        | 27,767.33        | 27,124.22                    | 27,431.92        |
| Depreciation of property, plant and equipment | 22,699.82                        | 20,563.51        | 19,613.18                    | 18,013.18        |
| Amortization of intangible assets             | 322.09                           | 170.76           | 251.98                       | 167.44           |
| Hire and maintenance expenses                 | 5,143.21                         | 3,992.21         | 3,793.32                     | 3,037.83         |
| Other expenses                                | 29,908.36                        | 31,930.89        | 28,598.83                    | 31,096.38        |
| Total   | 383,367.12                       | 366,835.20       | 390,955.88                   | 374,150.41       |



## 6. Power Development Fund

Before the year 2011, there was the establishment of the Community Development Fund around the power plant in accordance with the resolution of the Cabinet on June 19, 2007 to approve the guidelines and the procedure on the establishment of the Community Development Fund around Power Plant. The Cabinet's resolution also stipulated that all power plants which have entered power purchase agreements with EGAT shall pay into the Fund with different rates according to the fuels used. Each individual power producer is liable to pay directly to the Fund since July 1, 2007. However, in the period from July 1, 2007 to December 31, 2010 as the Fund of those power plants have not yet been established, EGAT would be responsible for paying into the Fund and recover the costs from Ft revenue.

Later, there was legislation of Energy Industry Act B.E.2550 which shall come into effect on December 11, 2007. It determined to set up the power development fund with the following objectives: to support extensive electricity service provision to various localities ; to decentralized prosperity to provincial areas; and to develop the local communities affected by the operation of a power plant, etc. Anyhow, Energy Regulatory Commission (ERC) has power and duty to manage the fund, ERC declared about delivery the money to the power development fund for electricity industry licensees in type of license B.E.2553 which determines electricity industry licensees shall deliver the money to the fund in 2 periods as follows:



1. During the power plant construction from the date starting from the conducting of the construction in accordance with the contract for services in order to construct and comply with the electricity industry licenses until the commercial operation date (COD) and have to deliver annually by calculating the money from estimate of installed capacity of power plant at the rate of Baht 50,000 per megawatt per year. In case of the construction is less than 1 year, EGAT has to deliver the money in accordance with percentage of month which construction had been conducted but it must not be less than Baht 50,000 per year.

2. During electricity generating the date starting from the commercial operation date, EGAT has to deliver monthly money calculated by electric energy produced for sales and use which exclude electric energy using in production process in station service. It was separated by the types of fuels using in generating power such as natural gas, fuel oil, diesel, coal, lignite etc.

On February 28, 2011, the Office of Energy Regulation Commission (OERC) issued OERC 5502/0774.1 to EGAT which notified that regulatory guidelines of Energy Regulation Commission about the power development fund in the year 2010 had been effective since December 21, 2010. Transitory provision item 31 determines that EGAT has to remit the remaining money of community development fund around power plant with interests (if any) to the fund within 10 working days from the day realized from OERC by separating money collected from each person who has the license of electricity generating including the amount for allocate to be expenses in accordance with the article 97(3) for the provinces that the person who has the license settles. On March 17, 2011, EGAT remit the remaining money with interests to power development fund in the amount of Baht 533.48 million.

For the year ended December 31, 2011, EGAT had provision for contributions for the power development fund in the part of the power plant of EGAT which included in generating expenses in the amount of Baht 955.45 million.



## 7. Contingent Asset

### 7.1 Switching Transmission Line in North Area of Suvarnabhumi International Airport

Contingent asset, which disclosed in the separate's financial statements as at March 31, 2011 and December 31, 2010, occurred from switching transmission line in north area of Suvarnabhumi International Airport. EGAT and Airports of Thailand Public Company Limited (AOT) have jointly obligated in half-and-half expenditure of the demolition and switching transmission line and the cost of renewable construction in north area of Suvarnabhumi International Airport according to the approval of the Cabinet, which has been formerly paid by EGAT. At present, EGAT has been completely conducted and it is in the process of collecting from AOT by approximately of Baht 269.57 million. During the year 2008, EGAT has received the payment from AOT in the amount of Baht 215.19 million. The residual amount of Baht 54.38 million, EGAT revoked the part amount of Baht 5.89 million and has been collected from AOT.

On July 30, 2010, EGAT received the letter of AOT which notified that on June 30, 2010, the board of director approved that EGAT had to responsible for demolishing expenses of transmission line in the north area of Suvarnabhumi International Airport solely because EGAT improved transmission line against Air Navigation Act, B.E.2497 and AOT will notify feedback to EGAT and Ministry of Transport for the next proceeding. However, it was in the process of EGAT's consideration.

### 7.2 Power Purchase Agreement of Power Plant Project, Nam Theun 2 and Nam Ngum 2

From the year 2010, EGAT entered into the Power Purchase Agreement with Lao People's Democratic Republic (Lao PDR) of Nam Theun 2 power plant project and Nam Ngum 2 power plant project. The power purchase guarantee in accordance with annual supply target specified that in case of the power plants have supply excess, they don't charge EGAT for the excess. However, the excess will be accumulated to set off in the following year which has supply shortfall. On the other hand, if EGAT has dispatch shortfall, the power plants will charge in the amount of the buying guarantee of EGAT whereas EGAT has to pay in advance and be able to receive amount of energy at a later month to make up the dispatch.



In case of EGAT accepts the supply excess, EGAT is able to apply the amount accumulated to set off. During the agreement period, if it has no supply shortfall, EGAT will pay for accrued electricity expense for supply excess with the excess electricity rate which is less than normal electricity rate (Baht 0.57 for Nam Theun 2 power plant project and Baht 1.145 for Nam Ngum 2 power plant project) at the end of the period. Period of Nam Theun 2 power plant ends at 13<sup>th</sup> anniversary from March 8, 2010 and period of Nam Ngum 2 power plant ends 10<sup>th</sup> anniversary from running the machinery. However, both of the projects have to include period of time extended because of unpredictable events.

Besides, EGAT will get the refund 25% of accrued electricity expense which pay at the end of the period. It calculates by accumulated supply excess plus excess energy or excess revenue less accumulated dispatch shortfall. At this time, EGAT is not able to estimate because there is no certainty about amount of contingent assets.

## 8. Contingent Liabilities

As at December 31, 2011, contingent liabilities excluded from the separate's financial statements, are the calling for EGAT to pay additional compensation, which the details are as follows:

1. The Civil Court judged that EGAT was liable for the additional payment of 26 lawsuits amounting to Baht 17.40 million in case of calling for compensation of land rights and violation. EGAT is now appealing for the court's verdict.

2. On March 4, 2008, the Administrative Court at Chiangmai Province judged that EGAT repay the compensation for health and sanitation of 110 affected people in the area, which are impacted from dust and sulfur dioxide in the amount of Baht 246,900 per person including interest at the rate of 7.5% per annual. EGAT estimated the approximately compensation and interest amounting to Baht 24.72 million and Baht 10.53 million respectively. The total amounts that EGAT will be pay amounting to approximately Baht 35.25 million. EGAT is now appealing for the court's verdict.

3. On March 4, 2008, the Administrative Court at Chiangmai Province judged that EGAT did not proceed according to the regulations and requirements of environment impact protection and mitigation in patent of coal mine. The court judged that EGAT is committed to practice under the principle of patent etc., village errigation,





reforestation in golf course, mitigation of affected dust and environmental assessment report is submitted every two years. Due to, there are not obvious the compensation to the government and claimant, so, EGAT does not determined the compensation.

## **9. Commitments**

### **9.1 Long - Term Power Purchase Agreements**

As a result of the government's policy on decreasing the government's investment burden and encouraging private sector to be involved in the power generation industry, the Government approved an investment programme for the power generation in new project by private sector (Independent Power Producers known as IPP) who will sell power to EGAT.

As at December 31, 2011, EGAT has entered into 91 Power Purchase Agreements with total commitments amounting to approximately Baht 8,246,297 million and total production capacity of 25,467 megawatts. The details are as follows:



| Power producers   | Remaining life |            |             |           | Amount         | Availability   | Energy         |
|---|----------------|------------|-------------|-----------|----------------|----------------|----------------|
|   | Company        | Capacity   | of contract |           |                | payment (AP)   | payment (EP)   |
|   |                | (megawatt) | (years)     |           | (Million Baht) | (Million Baht) | (Million Baht) |
| Power Project Developers in Lao People's Democratic Republic      |                |            |             |           |                |                |                |
| Theun Hinboun Power Company Limited                               | 1              | 440        | 28          | 2012-2039 | 126,700        | -              | 126,700        |
| Houay Ho Power Company Limited                                    | 1              | 126        | 18          | 2012-2029 | 17,606         | -              | 17,606         |
| Nam Theun Project 2   | 1              | 920        | 24          | 2012-2035 | 202,371        | -              | 202,371        |
| Nam Ngum Project 2  | 1              | 454        | 26          | 2012-2037 | 110,028        | -              | 110,028        |
| Hongsa Lignite Project  | 1              | 1,473      | 27          | 2015-2041 | 561,260        | 315,627        | 245,633        |
| Independent Power Producers (IPP)                                 |                |            |             |           |                |                |                |
| Electricity Generating Public Company Limited                     |                |            |             |           |                |                |                |
| As formerly, Rayong Electricity Generating Company Limited(REGCO) |                |            |             |           |                |                |                |
|   | 1              | 1,161      | 3           | 2012-2014 | 32,154         | 6,043          | 26,111         |
| Khanom Electricity Generating Company Limited (KEGCO)             | 1              | 748        | 5           | 2012-2016 | 59,057         | 7,448          | 51,609         |
| Tri Energy Company Limited (TECO)                                 | 1              | 700        | 9           | 2012-2020 | 83,037         | 7,241          | 75,796         |
| Eastern Power Electric Company Limited (EPEC)                     | 1              | 350        | 12          | 2012-2023 | 63,490         | 11,076         | 52,414         |
| Independent Power (Thailand) Company Limited (IPT)                | 1              | 700        | 14          | 2012-2025 | 143,803        | 20,408         | 123,395        |
| Ratchaburi Electricity Generating Company Limited (RGCO)          | 1              | 3,481      | 16          | 2012-2027 | 832,026        | 100,815        | 731,211        |
| Glow IPP Company Limited (GIPP)                                   | 1              | 713        | 16          | 2012-2027 | 177,786        | 27,043         | 150,743        |
| Gulf Power Generation Company Limited (GULF)                      | 1              | 1,468      | 22          | 2012-2033 | 515,647        | 88,588         | 427,059        |
| Ratchaburi Power Company Limited (RPCL)                           | 1              | 1,400      | 22          | 2012-2033 | 514,991        | 74,495         | 440,496        |
| BLCP Power Company Limited (BLCP)                                 | 1              | 1,347      | 21          | 2012-2032 | 275,719        | 101,427        | 174,292        |
| Gheco One Company Limited (GHECO ONE)                             | 1              | 660        | 25          | 2012-2036 | 359,942        | 115,342        | 244,600        |
| Gulf JP UT Company Limited (GUT)                                  |                |            |             |           |                |                |                |
| As formerly, Siam Energy Company Limited (SEC)                    | 1              | 1,600      | 25          | 2015-2039 | 667,053        | 114,577        | 552,476        |
| Gulf JP NS Company Limited (GNS)                                  |                |            |             |           |                |                |                |
| As formerly, Power Generation Supply Company Limited (PGS)        | 1              | 1,600      | 26          | 2014-2039 | 663,740        | 102,942        | 560,798        |
| Small Power Producers (SPP)                                       | 73             | 6,126      | 15-25 Years |           | 2,839,887      | 571,990        | 2,267,897      |
| Total   | 91             | 25,467     |             |           | 8,246,297      | 1,665,062      | 6,581,235      |



## 9.2 Fuel Purchase Agreements

EGAT has entered to 7 fuel purchase agreements, which the details are as follows:

**9.2.1** There are 4 agreements of gas purchase agreement for power plant in the totaled amount of Baht 1,803,702 million, which the remaining life of contract is 3 years and 10.5 months to 20 years and 5 months. The rest of amount as contract is valued at Baht 698,269 million.

**9.2.2** There are 3 agreements of fuel oil purchase agreement, which the details are as follows:

- The amount as contract of fuel oil purchase agreement since 2009 to 2011 is Baht 15,784 million and the remaining life of contract is 3.5 months. The rest of amount as contract is valued at Baht 3,902 million.

- The amount as contract of diesel fuel purchase agreement for generation since May 2003 to December 2012 is approximately Baht 4,160 million, which the completion term of contract is the informed date by EGAT to abolish the contract. The rest of amount as contract in December 2011 is valued at Baht 178.5 million.

- The amount as contract of gasoline purchase agreement for vehicle since May 2003 to December 2012 is approximately Baht 1,503 million, which the completion term of contract is the informed date by EGAT to abolish the contract. The rest of amount as contract in December 2012 is valued at Baht 175 million.

## 9.3 Hire - Purchase Agreements

EGAT has entered to the local and foreign hire - purchase agreements, which the details are as follows:

**9.3.1** There are 161 agreements of local hire - purchase agreements and their amount as contract is Baht 49,323.52 million with the remaining life of contract in 0.5 month to 4 years. The rest of amount as contract is approximately Baht 37,458.17 million.



**9.3.2** There are 195 agreements of foreign hire - purchase agreements and their amount as contract is Baht 72,265.03 million. Some contracts have the remaining life of contract in 0.5 month to 2 years and 6 months and some contracts are not indicated the contract period. The rest of amount as contract from the conversion of foreign currency under the average buying exchanged rate on December 30, 2011, which announced by the Bank of Thailand was approximately Baht 41,185.08 million.

#### **9.4 Letter of Credit**

On December 31, 2011, EGAT has unused letter of credit, which are not expired amounting to approximately Baht 6,503.49 million.

### **10. Disclosure of Financial Instruments**

EGAT uses the financial instruments to decrease uncertainty from uncontrollable outside factors. The main derivative financial instruments consisted of currency swap agreements, interest rate swap agreements and forward foreign exchange contracts.

#### **10.1 Cross Currency and Interest Rate Swap Agreements**

EGAT uses the cross currency and interest rate swap agreements to mitigate foreign currency risk and fluctuations in interest rate which are inherent foreign currency borrowings. The agreements are not recognized in the financial statements on the agreement date.

EGAT has entered into several cross currency and interest rate swap agreements with a maturity of 4 - 10 years. The term and remaining foreign currency amount under the cross currency and interest rate swap agreements as at December 31, 2011 and 2010 are as follows:



|   | Unit : Million Baht |                 |
|---|---------------------|-----------------|
| Terms of cross currency and interest rate swap agreements | Dec 31, 11          | Dec 31, 10      |
| Yen 9,979 million / Baht 3,692 million                    | -                   | 568.08          |
| Yen 19,899 million / Baht 7,283 million                   | -                   | 1,040.47        |
| Yen 11,424 million / Baht 4,145 million                   | -                   | 531.92          |
| Yen 6,712 million / Baht 2,456 million                    | 460.63              | 767.72          |
| Yen 12,196 million / Baht 4,463 million                   | 343.38              | 1,030.13        |
| Yen 1,093 million / Baht 365 million                      | -                   | 60.87           |
| Yen 1,469 million / Baht 489 million                      | -                   | 81.54           |
| Yen 1,286 million / Baht 428 million                      | -                   | 71.38           |
| Yen 1,179 million / Baht 390 million                      | -                   | 70.96           |
|   | <u>804.01</u>       | <u>4,223.07</u> |

To reduce the risk from fluctuations in foreign exchange rate, EGAT has the continue cross currency and interest rate swap agreements of Yen 9,979 million per Baht 3,692 million and Yen 19,899 million per Baht 7,283 million from the residual amount of cross currency and interest rate swap agreements of Yen 12,283 million per USD 115 million and Yen 22,743 million per USD 213 million respectively.

As at December 31, 2011, there are 2 remaining cross currency and interest rate swap agreements of Yen 6,712 million per Baht 2,456 million and Yen 12,196 million per Baht 4,463 million.

The maturity of agreements can be analyzed as follows :

|                   | Unit : Million Baht |                 |
|-------------------|---------------------|-----------------|
|                   | Dec 31, 11          | Dec 31, 10      |
| More than 5 years | 804.01              | 4,223.07        |
|                   | <u>804.01</u>       | <u>4,223.07</u> |

## 10.2 Interest Rate Swap Contracts

EGAT has entered into interest rate swap contracts with a maturity of 2 years. The terms of the contracts as at December 31, 2011 and 2010 are as follows :

|   | Unit : Million Baht |                 |
|---|---------------------|-----------------|
|   | Dec 31, 11          | Dec 31, 10      |
| Interest rate swap contracts from fixed rate to float rate in Thai currency | 1,000.00            | 2,000.00        |
| Interest rate swap contracts from float rate to fixed rate in Thai currency | 1,000.00            | 2,000.00        |
|   | <u>2,000.00</u>     | <u>4,000.00</u> |



|  | Unit : Million Baht |            |
|--|---------------------|------------|
|  | Dec 31, 11          | Dec 31, 10 |
| More than 1 year but not more than 5 years | 2,000.00            | 4,000.00   |
|  | 2,000.00            | 4,000.00   |

### 10.3 Forward Foreign Exchange Contracts

EGAT has conducted a forward foreign exchange contracts to mitigate the risk of fluctuations in foreign exchange rate associated with foreign loan repayment, the electric energy purchased from foreign countries, goods and services. Forward foreign exchange contracts are short-term contracts in one month to buy foreign currency at a pre-agreed exchange rate on a specified future time and are not realized in the financial statements on the contract date.

As at December 31, 2011 and 2010, EGAT did not have any forward foreign exchange contracts.

### 10.4 Fair Value of Financial Instruments

As at December 31, 2011 and 2010, contract price and fair value of long-term loans and derivative are as follows:

|   | Unit : Million Baht |            |                |            |
|---|---------------------|------------|----------------|------------|
|   | Dec 31, 11          |            | Dec 31, 10     |            |
|   | Contract price      | Fair value | Contract price | Fair value |
| Long - term loans - local sources               | 63,478.94           | 67,348.06  | 79,497.62      | 83,039.82  |
| Long - term loans - foreign sources             | 3,016.55            | 3,095.62   | 6,597.51       | 6,634.80   |
| Forward foreign exchange contracts              | -                   | -          | -              | -          |
| Cross currency and interest rate swap contracts | -                   | (37.72)    | -              | 71.02      |
| Currency swap contracts                         | -                   | -          | -              | 52.97      |
| Interest rate swap contracts                    | -                   | 0.40       | -              | (0.45)     |

EGAT calculated fair value of long-term loans, derivative and fixed rate bonds as the present value of the estimated future cash flow, which based on the nearby term discount rate. Forward foreign exchange contracts, cross currency and interest rate swap contracts, currency swap contracts and interest rate swap contracts are calculated by financial institutions, which are contractor of EGAT.



## 11. Business Acquisition of the Subsidiary

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

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

The details of net assets acquired and excess of consideration transferred over book value are as follows:

|  | Unit : Million Baht    |
|--|------------------------|
| Purchase consideration (Cash paid) and cash paid for restructuring               | 6,575.28               |
| <b>Less : Cash paid for restructuring of Ratch-Australia Corporation Limited</b> | <b>(2,382.20)</b>      |
| Purchase consideration (Cash paid)   | 4,193.08               |
| <b>Less : Book value of net assets acquired</b>                                  | <b>(2,990.12)</b>      |
| Excess of consideration transferred over book value                              | <u><u>1,202.96</u></u> |



The net assets and liabilities of Ratch-Australia Corporation Limited arising from the acquisition of RH International (Singapore) Corporation Ltd. on July 5, 2011 are as follows:

|  | <b>Unit : Million Baht</b> |
|--|----------------------------|
| Cash and cash equivalents  | 386.61                     |
| Trade accounts receivable  | 1,278.30                   |
| Inventories  | 536.74                     |
| Other current assets   | 147.84                     |
| Long-term loans receivable   | 1,639.90                   |
| Investments in jointly-controlled entity                           | 1,205.61                   |
| Other long-term investments  | 606.41                     |
| Property, plant and equipment                                      | 18,646.29                  |
| Intangible assets  | 3,855.47                   |
| Other non-current assets   | 290.09                     |
| Interest-bearing liabilities                                       | (22,162.03)                |
| Trade accounts payable   | (400.26)                   |
| Deferred tax liabilities   | (2,132.53)                 |
| Other non-current liabilities                                      | (160.79)                   |
| Net identifiable assets and liabilities                            | 3,737.65                   |
| <b>Less non-controlling interests</b>                              | <b>(747.53)</b>            |
| Recognised value of net assets acquisition                         | 2,990.12                   |
| Excess of consideration transferred over book value                | 1,202.96                   |
| Consideration paid   | 4,193.08                   |
| Cash paid for restructuring of RATCH-Australia Corporation Limited | 2,382.20                   |
| Consideration paid and cash paid for restructuring                 | 6,575.28                   |
| <b>Less Cash and cash equivalents in the subsidiary</b>            | <b>(386.61)</b>            |
| Cash outflow on the acquisition                                    | 6,188.67                   |

As at December 31, 2011, intangible assets from business acquisition amounting to Baht 3,885.47 million classified to project development rights amounting to Baht 1,752.64 million and goodwill amounting to Baht 2,102.82 million. After July 5, 2011, RATCH-Australia Corporation Limited invested more in Wind Farm project. It caused the increase in goodwill in the amount of Baht 302.52 million. Besides, there was foreign exchange rate adjustment due to business acquisition and more investment in Wind Farm project amounting to Baht 7.74 million





Due to the fact that assets evaluation of independent appraiser to determine the fair value of net assets acquired has not been incomplete, goodwill from business acquisition as at December 31, 2011 is in the amount of Baht 1,202.96 million which is as the same as on business acquisition date.

Interest-bearing liabilities from business acquisition of subsidiaries amounting to Baht 22,162.03 million comprises long-term loans in the amount of Baht 15,054.65 million (Note 5.19) and other loans in the amount of Baht 7,107.38 million.

## **12. The Effects of Flood Situation**

According to the flood situation in several areas in Thailand from September to December 2011, it caused EGAT had the expenses about helping the flood victims and rehabilitation after the flood for the external entities in the amount of Baht 57.13 million and for employees in the amount of Baht 26.88 million, which paid in January and February 2012. That flood is the cause of the budget allocation for rehabilitation and compensation from the flood in 2012 and 2013 in the budget of the operation budget amount of Baht 96.89 million and Baht 30.98 million respectively and the investment budget amount of Baht 169.07 million and Baht 63.34 million respectively. In addition, the flood resulted in the decrease in the sales of electricity in 2011 that down from forecast about Baht 1,714.64 million.

## **13. The Effects of the Gas Leak in the Gulf of Thailand**

On June 15, 2011, there was a gas leak in the Gulf of Thailand. It affects the ability to transfer the natural gas to EGAT from June 27, 2011 to August 15, 2011 that PTT Plc. finished repairs to its gas pipeline.

EGAT sent the letter to Energy Regulation Commission (ERC) dated August 31, 2011 about the effects of the gas leak in the Gulf of Thailand. It notified that during the period that affected the ability to transfer the natural gas for electricity generating, EGAT managed electricity system for relieving the effects such as postpone the plan of power plant maintenance for increasing in electricity generating from the coal power plant ( Mae Moh power plant and BLC Power Co.,Ltd.) in the total of unit 290 million, increasing in power purchase from Hydro power plant in Lao PDR which is higher than dispatch right in the total of unit 691 million and increasing in capacity of Hydro power plant of EGAT (Bhumibol dam, Sirikit dam, Vachiralongkorn dam and Ratchaprapa dam) in the total of unit 262 million etc.



From the operating above, they can decrease the effects of expensive fuel usage, there was alternative fuel usage such as fuel oil and liquid natural gas (LNG) as follows :

1. There was increasing in fuel oil usage from electric energy sales budget plan according to automatic Tariff from May to August 2011 in Bang Pakong power plant, South Bangkok power plant and Ratchaburi power plant in the total of liter 88 million. The initial estimate was Baht 1,092.18 million.

2. There was increasing in LNG usage from transfer natural gas plan amounting to cubic foot 140 million per day. It caused increasing in gas price Pool 2 from electric energy sales budget plan according to automatic Tariff Adjustment (Ft). The initial estimate was Baht 1,582.79 million.

The total effect value was Baht 2,674.97 million.

On December 9, 2011, ERC sent the letter to the chief executive officer and managing director of PTT Plc. It notified that ERC considered the gas leak in the area of a main tube of 34-inch diameter. It caused EGAT had to use other fuel which had higher cost than natural gas transferred from PTT. Therefore, ERC passed the resolution that PTT had to responsible for damages from the above report of EGAT sent to ERC. However, on January 6, 2012, PTT sent the letter notified that PTT will coordinate with EGAT to investigate the damages and refund. PTT will notify ERC when they have the conclusion.

#### **14. Reclassification Transactions**

EGAT reclassified some transactions in the consolidated and the separate 's financial statements for the years ended December 31, 2010 for conformity with the presentation of the consolidated and the separate's financial statements for the years ended December 31, 2011.

#### **15. Issuance Dated of Financial Statements**

Governor of EGAT approved these financial statements for issuance on March 23, 2012.

