

ANNUAL  
REPORT  
2010



EVERLASTING ENERGY



Glow Energy Public Company Limited

EVERLASTING ENERGY





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# Vision & Mission



## VISION

### OPERATION EXCELLENCE

- Focus on reliability and improvement of heat rates
- Reduce production costs and increase productivity
- Improve fuel management and efficiency
- Focus on completing expansions, meet the targeted schedule and performance
- Reduce cost of capital
- Improve reporting and management tools and processes
- Improve customer intimacy and satisfaction

### PROFITABLE GROWTH

- Expand Cogen businesses in Thailand by selling steam and electricity to high-load industrial customers who value reliability
- Expand IPP business in Thailand
- Expand business in Laos and seek new business in Cambodia
- Follow key customers when they pursue petrochemical projects in ASEAN countries, to the extent that a full operational integration in Glow's activities makes sense and allows for synergies



## MISSION

Glow mission focuses on value creation for shareholder's and customers and on environmental and social responsibility

### CREATE VALUE FOR OUR SHAREHOLDERS AND CUSTOMERS IN A SUSTAINABLE MANNER THROUGH:

- a) Reliable products and services
- b) Operational excellence
- c) Profitable growth
- d) Committed and knowledgeable employees
- e) A network of expertise

### PERFORM THE BUSINESS IN A SUSTAINABLE RELATIONSHIP WITH THE ENVIRONMENT AND WITH THE SOCIETY:

- a) Environmentally responsible projects
- b) Develop the quality of life of communities in areas where we do businesses
- c) A prime focus on environment health and safety for our employee, contractors and the surrounding communities
- d) Provide expertise and support to the development of the Thai energy sector



Mr. Guy Richelle  
Chairman of the Board

## Message from the Chairman

Glow Group posted record high Net Profit at Baht 5,716 million in 2010, with EBITDA and Normalized Net Profit ('NNP' - net profit before unrealized foreign exchange gains and losses) growing 16% and 19% from 2009, respectively. This significant growth compared with 2009 can be attributed to the favorable macro-economic climate resulting in relatively stable fuel cost and electricity tariffs, the increase in installed power generation capacity and the higher demand from industrial customers.

Year 2010 also marked the first milestone of our committed growth program with the start of commercial operations of our new 115 MWeq coal-fired cogeneration plant ('CFB 3' project). This project is the first of our three expansion projects, with together will add 1,150 MW of capacity. The next project, scheduled to come on-line in the 3<sup>rd</sup> quarter of 2011, is 382 MWeq gas-fired cogeneration plant ('Phase 5' project). Both CFB 3 and Phase 5 projects serve mainly industrial customers, whereas the third project, 660 MW coal-fired IPP plant ('GHECO-One' project) will supply all of its production to EGAT pursuant to a long-term Power Purchase Agreement with EGAT. The growth achieved from these committed expansion projects is ideally balanced between our IPP and Cogeneration business.

Looking forward, year 2011 is expected to be very challenging in many aspects. The Global macro-economic climate looks less favorable with the strengthening of the Thai Baht, the increase in fuel cost, and uncertainty in electricity tariff level. It will also be a challenge to complete the projects under construction on schedule. Even though both Phase 5 and GHECO-One project have been progressing well, construction works still need to go through critical stages and this will require hard work and dedication of all staff of Glow Group and their contractors.

The focus of Glow Group has always been to secure and deliver growth, based on sustainable and socially responsible development. Our new plants employ state of the art emission control technologies, and their emissions will be well below Thai and World Bank emission standard. As an integral part of our corporate culture, we also focus on maintaining sustainable relationships with the local communities as well as improving their quality of life and we are continuing to support multiple development projects in nearby communities on our own initiatives or in association with Map Ta Phut community partnership, in which we are founding member together with Siam Cement, PTT, Dow Chemicals and Banpu.

Once again, on behalf of the Company's Board of Directors, I would like to thank our investors, customers and shareholders, the financial institutions, the public and private sectors, and the local communities for their trust and continued support for our business. I would also like to express my gratitude to all executives and employees of the Group for their dedication and hard work in bringing success to our businesses, as well as for their professionalism and high ethical standards.



**MR. GUY RICHELLE**  
Chairman of the Board



Mr. Esa Heiskanen  
Chief Executive Officer

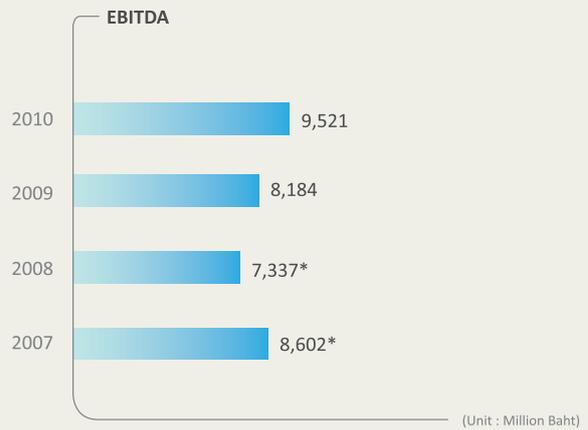
In 2010, Glow Group started to benefit from the investment program started in 2007. The first plant of the expansion program, 115 MWeq coal-fired cogeneration plant – CFB3, entered into commercial operation serving increased demand of our industrial customers in Map Ta Phut. At the same time, the fuel and electricity prices remained stable providing sustainable operating margin. Our core operating profit, EBITDA (Earnings Before Interest, Tax and Depreciation) increased by 16% to 9,521 MTHB and Normalized Net Profit (core results excluding unrealized foreign exchange gains) increased by almost 20% to 4,514 MTHB. This despite higher interest and depreciation costs due to the expansions and higher taxes at some of our older plants, which do not anymore enjoy tax holidays granted by BOI.

On operational side, we cannot be as satisfied as we are with our financial performance. Reliability of supply to our customers has, for years, been excellent and our work place health and safety records have been outstanding for years with no loss time incidents. Both of these key performance indicators deteriorated in 2010. While supply reliability and health and safety statistics in 2010 still remained at good international standards, improvements in both areas are on-going in order to return to our normal excellent level.

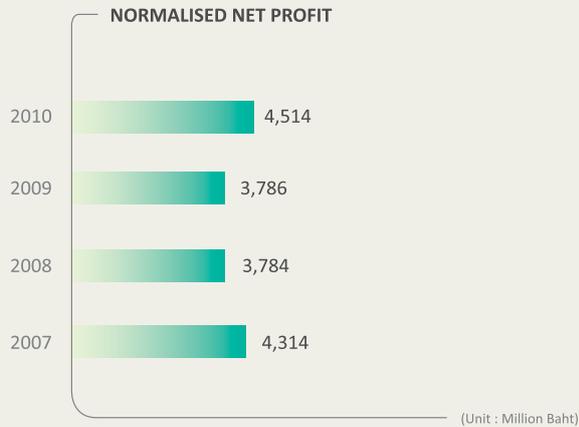




## Financial Position (Consolidated)



Note : \* To reclassify some non cash item to below EBITDA level



“ Inherent part of our corporate culture is social partnership – operating in sustainable relationship with the environment, society and communities in vicinity of our power plants ”

We are looking forward in year 2011 and bringing our second expansion plant, 382 MW gas-fired cogeneration unit - Phase 5, into commercial operation to serve our expanding industrial clientele. Our third expansion plant, 660 MW coal-fired IPP unit - GHECO-One, is also scheduled to reach completion by early 2012.

Inherent part of our corporate culture is social partnership - operating in sustainable relationship with the environment, society and communities in vicinity of our power plants. Accordingly, we are proud to be one of the founding members, together with Siam Cement, PTT, Banpu and Dow Chemicals, of community partnership program in Map Ta Phut. We believe this initiative will further enhance sustainable relationships between industry and communities in Map Ta phut, so that both communities and industry can prosper.





Mrs. Sriprapha Sumruatruamphol  
Executive Vice President and  
Chief Commercial Officer



Glow's top priority has always been, and remains, to provide highly reliable quality supply of utilities to our customers. Our choice of technology, network interconnections, and focus on operational excellence are all designed to ensure reliability of supply to for over 30 industrial customers. Over the past 15 years, we have put emphasis on learning and understanding our customer's commercial and technical needs. For Glow, we always value our customers more as long-term partners, and we believe that trust and confidence from our customers play a significant role for the company's success. Our philosophy is to work closely with our customers to understand their needs and constraints with an objective of finding a win-win solution. "Improve customer intimacy and satisfaction" and "Focus on reliability" are embedded through out our organization as one of Glow Visions.



"Improve customer intimacy and satisfaction" and "Focus on reliability" are embedded through out our organization as one of Glow Vision





“ Renewal of expiring contracts, increased purchases of utilities for both new and expansion project, entering into long term supply contract, all of these are prove of trust and confidence from our customers ”

To ensure maximum reliability of supply to our customers, we have invested in dedicated underground electricity transmission line, steam loop, interconnection between our facilities, back-up system, and continuous improvement of our supply network. All of these are to ensure that maximum reliability of supply to our customers is reached.

Renewal of expiring contracts, increased purchases of utilities for both new and expansion project, entering into long term supply contract, all of these are prove of trust and confidence from our customers.

We are very proud to be the preferred utility supplier and recognized as reliable utilities supplier by leading Thai and international petrochemical, chemical and steel companies investing in Map Ta Phut, and to be able to be part of their success in Thailand. We appreciate the trust, support and goodwill that our customers have shown to us in working together over the past years and would like to take this opportunity to thank them again.

At Glow, we commit to go above and beyond to enhance our service offering to meet our customers' needs.







Mr. Heikki Pudas  
Executive Vice President – Project  
Development and Business



In Glow, sustainability covers them all as an embedded philosophy



## Sustainability – a multifaceted framework

When talking about sustainability it is often understood to cover only one theme: economic sustainability, social sustainability, environmental sustainability or sustainability of the customer relations. In Glow, sustainability covers them all as an embedded philosophy and is reflected in our core values: “Communication, Adaptability, Commitment, Social Responsibilities and Sustainable Business Relations”. We strive to apply this idea of sustainability to all our activities.

More than just words on a paper, we put emphasis on transparency and trust in relationship with all our stakeholders. We are not looking for fast financial results at the cost of the environment, public relations or customer satisfaction; we value long-term relationships. We take responsibility for our activities as a good corporate citizen. That is what sustainability really means to us.





### Examples of Glow's sustainability:

- Open communication of our customer relations teams.
- We have built trust with communities in the vicinity of our plants and together with them in 2009 and 2010, we received CSR-DIW awards from the Ministry of Industry as recognition of our CSR work.
  - We are replacing coal by woodchips in our coal-fired CFB boilers.
  - We have invested in emission reduction program in Map Ta Phut, which results in reduced emissions from our operations even after completion of the 382 MWeq gas-fired CCGT plant and the 660 MW coal-fired plant.
  - We are contributing around 200 MTHB in 2011 and will be around 300 MTHB per annum after the commercial operation of all of our expansion projects to the Community Development Fund, for the development programs of the communities surrounding our plants (both in Rayong and Chonburi).
  - In Map Ta Phut, we are a member of Community Partnership Initiative, which was established in 2010 to improve the co-existence and trust between the communities, authorities and industrial operators.
    - We arrange tutoring programs and provide scholarships for students, improving the career development opportunities of the local community members.
    - We run CSR projects in rural areas, as a partner of the Office of Her Royal Highness Princess Maha Chakri Sirindhorn's Projects and Royal Thai Navy.
    - We are developing renewable energy projects demonstrating our target to be a diversified energy supplier, responding to the policies of the Government of Thailand.





## Communication, Adaptability, Commitment, Social Responsibilities and Sustainable Business Relations



Sustainable energy is commonly thought to be a synonym for renewable energy. From national economy point of view it is a balanced mixture of energy sources that provide dependable and economic supply in harmony with the nature, environment and communities.

However, what is often forgotten is that by improving efficiency of the energy production, we are able to create environmentally and economically sustainable solutions. In Glow we have developed our own in-house software to optimize the generation dispatch of our multiple units. Using this Optimizer we save energy by ensuring our units are operated at maximum efficiency. Another sustainable energy solution is that by applying the state-of-the-art super-critical boiler technology in GHECO-One project, we reduce CO<sub>2</sub> emissions by 300,000 ton every year compared to a conventional coal-fired boiler technology. Every percentage unit of efficiency improvement results to equal percentage reduction of fuel consumption and environmental impact.





Mr. Pajongwit Pongsivapai  
Executive Vice President  
and Chief Operating Officer



## Challenges in management of various production technologies and distribution networks



From 2012 onwards Glow will have total generation capacities of 2,934 MW and 1,206 ton per hour, power and steam respectively. Glow's philosophy is to employ state-of-the-art technologies for generation and air emission control and abatement systems. In 2010 we introduced a new 115 MWeq new compact design coal fired circulated fluidized bed boiler cogeneration plant into our Map Ta Phut network. In 2011 the largest 328 MWeq and 160 ton per hour gas fired cogeneration unit in Thailand will be added to our Map Ta Phut cogeneration fleet. In early 2012 we will add the first supercritical and most efficient 660 MW pulverized coal fired unit in Thailand equipped with very effective SO<sub>x</sub> and NO<sub>x</sub> emission control processes. The challenge of introducing such state-of-the-art technologies is to ensure our qualified crews are further developed to bring their past power plant operations experiences to cope with these new diversifications. Adding new generation and customers to our power and steam networks creates additional challenges to our people by focusing on optimization of the overall network efficiency while maintaining high reliability of supplies to our customers.





We have increased our operations staff by 123 persons for our new expansions - CFB 3, Phase 5 and GHECO-One. Our staffing philosophy for the new expansions is to promote the experienced operations personnel within our existing organization to manage the key responsibilities. The additional positions were filled by educated and motivated engineers and technicians from Thailand's top universities and technical schools. In some areas we strengthen our operations and maintenance teams by employing experienced expatriates to mentor the teams. Both experienced staff and newly recruited engineers and technicians have gone through extensive power plant and EPC contractor specific trainings on the new technologies.



Our commitment to our environment health and safety program has given us an excellent environment health and safety record. Nevertheless in 2010 one of our employees experienced a medium voltage electrical flash over resulting in a lost time accident. We have taken this event very seriously from management down to the employee level. As an additional measure we invited the safety expert from GDF SUEZ to join our EH&S team to review our procedures and work processes. Based on the recommendations from the team we have updated our permit to work procedures and increased the safety knowledge and awareness of our employees to minimize risk of future accidents.





Mr. Suthiwong Kongsiri  
Executive Vice President  
and Chief Financial Officer



Financing our growth program during the last three years has been a very challenging mission. We needed to fund approximately USD 1.8 billion for three expansion projects, in which now there is only THB 3 billion remaining to be secured in 2011. Our objectives and limitations were very clear. There must be no equity increase, no dividend decrease, and no credit rating deterioration. We must make maximum use of our balance sheet. As a result, we succeeded in closing the Project Financing for our 660 MW coal-fired IPP, GHECO-One project, with both foreign and Thai financial institutions in 2008, just when the global financial crisis started. In 2009, we avoided high competition in the domestic bond market and were able to secure bank facilities at better pricing and condition. Last year, we did the opposite and succeeded in securing bond issuance with maturities of up to nine years. The key success factors on these achievements are not only our solid business fundamentals and flexible strategy, but also the support and confidence given to us by financial institutions and investors.



The key success factors on these achievements are not only our solid business fundamentals and flexible strategy, but also the support and confidence given to us by financial institutions and investors



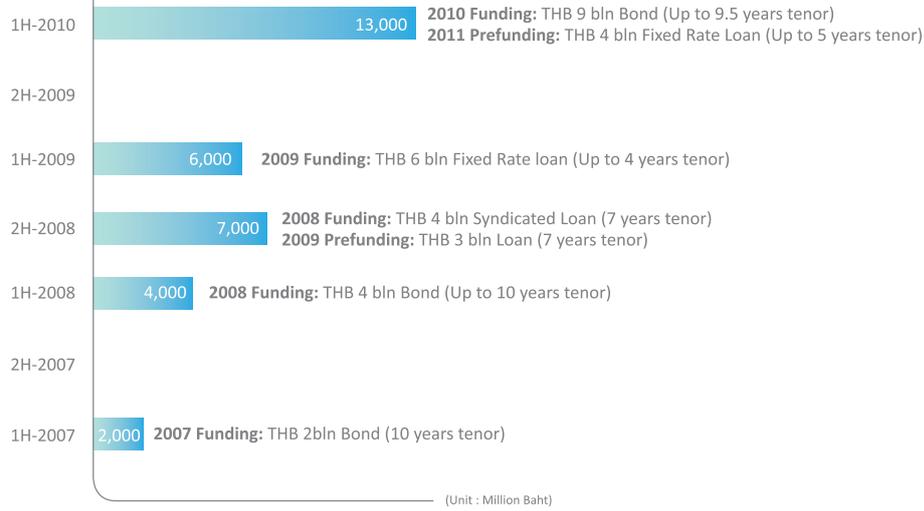
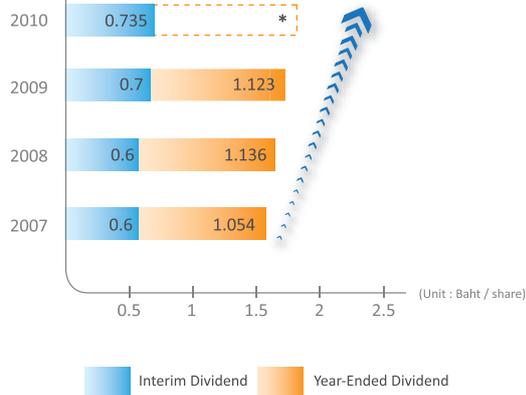


“ not only does every investment needs to be value creating, but we must also continuously optimize our debt capital structure ”



Looking beyond the current growth program, our financial management policy is clear. We aim to maximize shareholder value. That means, not only does every investment need to be value creating, but we must also continuously optimize our debt capital structure. Therefore, we are well-positioned to consider distributing excess liquidity back to our shareholders as extra dividend on top of regular ones if there were no significant expansion potential in the near future or re-leveraging our balance sheet again should substantial growth opportunities arise. By employing such policy, shareholders can be confident that their wealth in the company is rationally and proactively managed at all times.



**FUND RAISING ACTIVITY 2008 - 2010**

**DIVIDEND PAYMENT PROFILE**


\* Subject to 2011 Annual General Meetings of Shareholders





Mrs. Mantana Kunakorn  
Vice President – Human Resources  
and Administration

The success of organization depends on competence and commitment of its employees, and we give high priority to human resource development. We provide training to our employees, which is tailor made for their development needs and requirements to perform their duties or prepare for promotion opportunities. We favor promoting people from our own organization over hiring newcomers for management positions. New recruits will then fill open positions at junior level and for them we provide orientation training as well as skills training based on job requirement.

Our aim is that all employees are well-prepared to respond to challenges of our growing business. We have successfully recruited and trained over 150 engineers and other employees to work on our new plants in Map Ta Phut, while most managerial positions are filled by promotions and transfers from existing plants.



all employees are well-prepared to respond to challenges of our growing business





# Board of Directors

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**1. Mr. Guy Richelle**

Chairman of the Board

**2. Mr. Esa Heiskanen**

Director and Chief Executive Officer

**3. Mr. Kovit Poshyananda**

Independent Director and  
Chairman of Audit Committee

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**4. Mr. Vitthaya Vejajiva**

Independent Director and  
Audit Committee

**5. Mrs. Supapun Ruttanaporn**

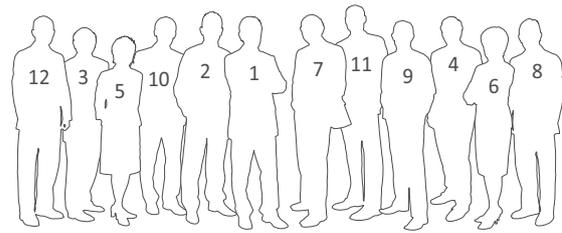
Independent Director and  
Audit Committee

**6. Mrs. Anchalee Chavanich**

Independent Director

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**7. Mr. Dirk Achiel  
Marc Beeuwsaert**  
Director

**8. Mr. Guido Geeraerts**  
Director

**9. Mr. Johan De Saeger**  
Director

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**10. Mr. Michel J.G. Gantois**  
Director

**11. Mr. Anut Chatikavanij**  
Director

**12. Mr. Brendan G.H. Wauters**  
Director





# Management Team



Name	Position
1. Mr. Esa Heiskanen	Chief Executive Officer
2. Mr. Heikki Pudas	Executive Vice President - Project Development & Business
3. Mrs. Sriprapha Sumruatruamphol	Executive Vice President and Chief Commercial Officer
4. Mr. Pajongwit Pongsivapai	Executive Vice President and Chief Operating Officer
5. Mr. Suthiwong Kongsiri	Executive Vice President and Chief Financial Officer
6. Mr. Kanit Thangpetchr	Senior Vice President - Rayong Facilities Management
7. Mr. Svend Erik Jensen	Senior Vice President - Construction & EPC Management
8. Mr. Louis Stephen Holub	Senior Vice President - Operations Support Services
9. Mr. Wisit Srinuntawong	Senior Vice President - Engineering
10. Mr. Michael W. Reiff	Senior Vice President and Chief Financial Controller
11. Mr. Narongchai Visutrachai	Senior Vice President - Government & Public Affairs
12. Mr. Victorino Masa	General Manager - Houay Ho Power Co., Ltd.
13. Mr. Thanong Tanthongtip	Plant Manager - Houay Ho Power Co., Ltd.
14. Mrs. Chamaiporn Soonthorntasanapong	Vice President - Legal & Insurance
15. Mr. Anutarachai Natalang	Vice President - EH&S and Operations Quality Management
16. Ms. Sirichan Chotchaisathit	Vice President - Industrial Sales
17. Mr. Prateep Phuthamrugsa	Vice President - Supply Chain Management

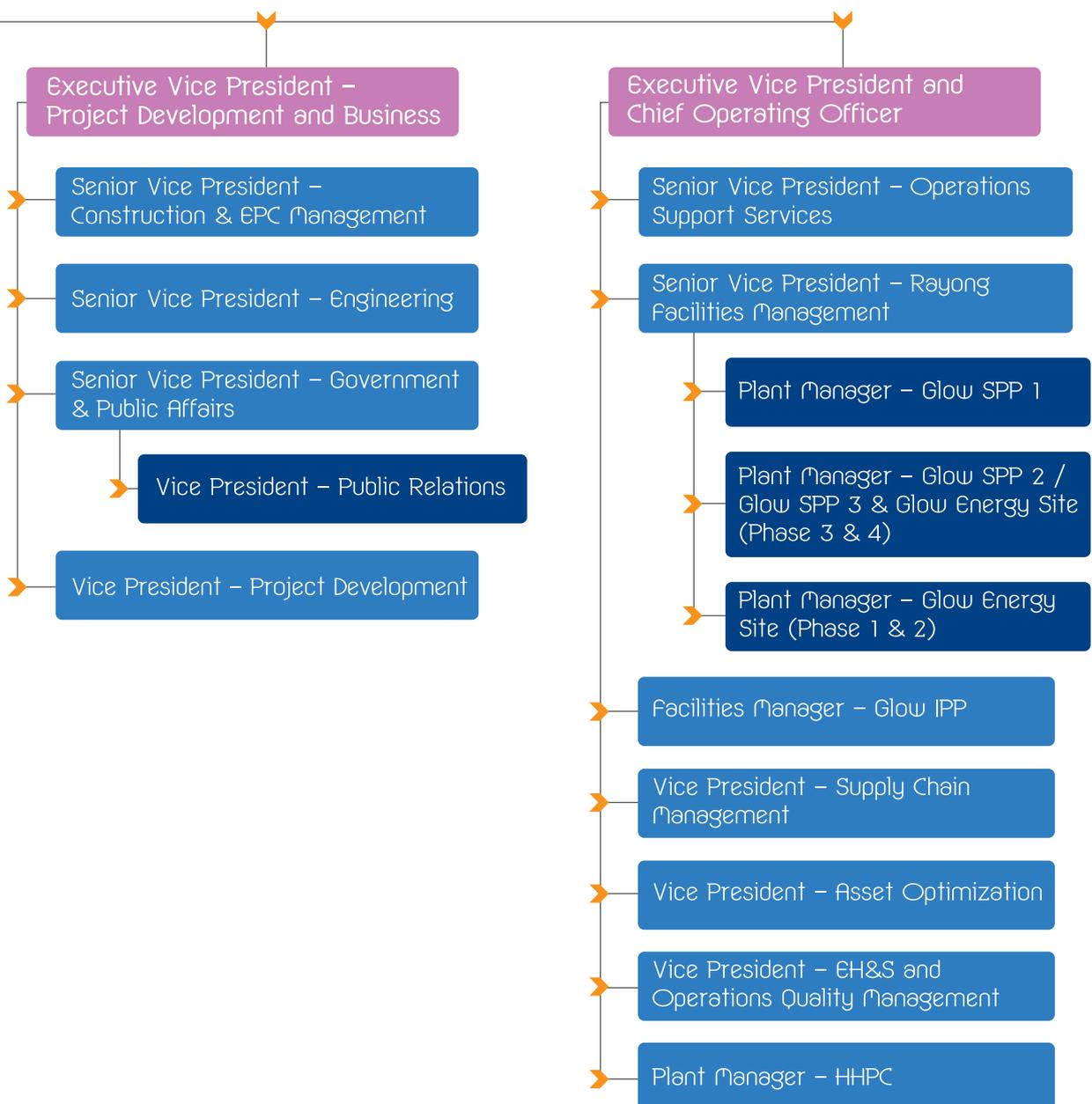


Name	Position
18. Mr. Somchai Klinsuwanmalee	Vice President - Public Relations
19. Mrs. Mantana Kunakorn	Vice President - Human Resources & Administration
20. Mr. Chin Beng Tong	Vice President - Coal & Biomass Management
21. Mr. Apichart Jamjunr	Plant Manager - Glow SPP 2 / Glow SPP 3, Glow Energy Site (Phase 3 & 4)
22. Mr. Renaud Louis Albert Pilleul	Vice President - Industrial Customer Relations
23. Ms. Suttasinee Pengsupaya	Vice President - Accounting
24. Mr. Chaiwut Rattanapornsinchai	Vice President - Information Technology
25. Mr. Eralp Gullep	Vice President - Business Quality
26. Mr. Rujirote Kasirerk	Plant Manager - Glow Energy Site (Phase 1 & 2)
27. Mr. Suratchai Bangluang	Facility Manager - Glow IPP
28. Mr. Apidech Siriphornoppakhun	Plant Manager - Glow SPP 1
29. Mrs. Unchana Kittipiyakul	Vice President - Budgeting & Business Controlling
30. Dr. Somgiat Dekrajangpetch	Vice President - Asset Optimization
31. Mr. Gert Meersman	Vice President - Project Development
32. Mr. Akarin Prathuangsit	Vice President - Cogeneration Marketing & Development
33. Mr. Nattaphatt Tanboon-ek	Vice President - Finance & Investor Relations



# Management Structure







# General Information

## General Information

### GLOW ENERGY PUBLIC COMPANY LIMITED

Company:	Glow Energy Public Company Limited
Type of Business:	Generate and Supply utilities (electricity, steam, clarified and demineralized water)
Head office location:	195 Empire Tower, 38 <sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel.:	(66 2) 670 1500 - 33
Fax.:	(66 2) 670 1548 - 9
Registered Number:	0107538000461
Home Page:	<a href="http://www.glow.co.th">www.glow.co.th</a>
Plant Location:	Glow Energy Phase 2 - Central Utilities Cogeneration Plant 3, 5, I-4 Road, Map Ta Phut Industrial Estate, Map Ta Phut, Muang District, Rayong 21150
Tel.:	(038) 684 078 - 80
Fax.:	(038) 684 789
Number of Employees: (as of 31 December 2010)	700 persons (128 in Bangkok, 494 at plants and 78 in HHPC)
Registered Capital: (as of 31 December 2010)	14,828,650,350 Baht
Paid up Capital: (as of 31 December 2010)	14,628,650,350 Baht

### OTHER REFERENCES

- Bondholder's Representative: Siam Commercial Bank Public Company Limited  
 Tower 2, 3<sup>rd</sup> Floor, 1060 New Petchaburi Road, Makkasan, Rajatevee Bangkok 10400  
 Tel. (66 2) 256 2323 - 27
- Auditor: Deloitte Touche Tohmatsu Jaiyos Audit Company Limited  
 183 Rajanakarn Building, 25<sup>th</sup>, 26<sup>th</sup>, 28<sup>th</sup> Floor, South Sathorn Road,  
 Yannawa, Sathorn, Bangkok 10120



## OTHERS SUBSIDIARY COMPANY THAT THE COMPANY HOLDS SHARES OF MORE THAN 50 PERCENT

### 1. Glow Company Limited

Head Office address: 195 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel. (66 2) 670 1500 - 33 Fax. (66 2) 670 1548 - 9

Type of Business: Provide management services, consultant services and management advisory for related companies

### 2. Glow IPP Company Limited

Head Office address: 195 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel. (66 2) 670 1500 - 33 Fax. (66 2) 670 1548 - 9

Plant Location: 42 Moo 8, CIE - 8 Road, Hemaraj Chonburi Industrial Estate, Bowin, Sriracha District, Chonburi 20230  
Tel. (038) 345 900 - 5 Fax. (038) 345 906

Type of Business: Generate and Supply electricity to Electricity Generating Authority of Thailand ("EGAT")

### 3. Glow SPP 1 Company Limited

Head Office address: 195 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel. (66 2) 670 1500 - 33 Fax. (66 2) 670 1548 - 9

Plant Location: Glow SPP 1 Plant - Central Utilities Cogeneration Plant  
10, Soi G-2, Pakornsongkrawhrat Road, Hemaraj Eastern Industrial Estate (Map Ta Phut), Huaypong, Muang District, Rayong 21150  
Tel. (038) 685 589 Fax. (038) 685 104

Type of Business: Generate and Supply utilities (electricity, steam and demineralized water)

### 4. Glow SPP 2 Company Limited

Head Office address: 195 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel. (66 2) 670 1500 - 33 Fax. (66 2) 670 1548 - 9

Plant Location: Glow SPP Phase 3 - Hybrid Cogeneration Plant  
11, I - 5 Road, Map Ta Phut Industrial Estate, Map Ta Phut, Muang District, Rayong 21150  
Tel. (038) 698 400 - 10 Fax. (038) 684 789

Type of Business: Generate and Supply utilities (electricity and steam)

### 5. Glow SPP 3 Company Limited

Head Office address: 195 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel. (66 2) 670 1500 - 33 Fax. (66 2) 670 1548 - 9

Plant Location: Glow SPP Phase 3 - Hybrid Cogeneration Plant  
 11, I - 5 Road, Map Ta Phut Industrial Estate, Map Ta Phut,  
 Muang District, Rayong 21150  
 Tel. (038) 698 400 - 10 Fax. (038) 684 789

Type of Business: Generate and Supply utilities (electricity, steam, clarified and demineralized water)

#### 6. Glow IPP 3 Company Limited

Head Office address: 195 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road,  
 Yannawa, Sathorn, Bangkok 10120  
 Tel. (66 2) 670 1500 - 33 Fax. (66 2) 670 1548 - 9

Type of Business: Develop power generation projects

#### 7. Glow IPP 2 Holding Company Limited

Head Office address: 195 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road,  
 Yannawa, Sathorn, Bangkok 10120  
 Tel. (66 2) 670 1500 - 33 Fax. (66 2) 670 1548 - 9

Type of Business: Invest in other companies

#### 8. GHECO-One Company Limited

Head Office address: 11, I - 5 Road, Map Ta Phut Industrial Estate, Map Ta Phut,  
 Muang District, Rayong 21150  
 Tel. (038) 698 400 - 10 Fax. (038) 684 789

Branch: 195 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road,  
 Yannawa, Sathorn, Bangkok 10120  
 Tel. (66 2) 670 1500 - 33 Fax. (66 2) 670 1548 - 9

Type of Business: Generate and Supply electricity to EGAT (being under construction)

#### 9. Houay-Ho Thai Company Limited

Head Office address: 195 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road,  
 Yannawa, Sathorn, Bangkok 10120  
 Tel. (66 2) 670 1500 - 33 Fax. (66 2) 670 1548 - 9

Type of Business: Invest in other companies

#### 10. Houay-Ho Power Company Limited

Head Office address: P.O. Box 5464 Nong Bone Road, Ban Fai, Xaysettha District,  
 Vientiane, Lao PDR.  
 Tel. (856) 21 414932 - 3 Fax. (856) 21 414 934

Plant Location: P.O. Box 661 Pakse, Lao PDR.  
 Tel. (856) 36 211720 - 1 Fax. (856) 36 211719

Type of Business: Generate and Supply electricity to EGAT and the Electricite Du Laos ("EDL")



# Risk Factors

# Risk Factors

## RISKS RELATING TO US AND OUR BUSINESS

### *We are exposed to fluctuations in fuel prices*

Fuel is our most significant operating cost, accounting for 80.5 percent of our total expenses in 2010. Whether and to what extent we can pass fuel price fluctuations through to our electricity and steam customers depends on the specific terms of our sales agreements.

- Under the terms of Glow IPP's power purchase agreement with EGAT, which accounted for 29.3 percent of our total revenues in 2010, our fuel costs are fully passed through to EGAT at contracted heat rates. Also, under terms of GHECO-One's power purchase agreement with EGAT, with expected start of commercial operation within first quarter of 2012, our fuel costs are fully passed through.
- Under the terms of our SPP power purchase agreements with EGAT relating to our gas-fired facilities, which together accounted for 18.2 percent of our total revenues in 2010, our fuel costs are passed through to EGAT at contracted heat rates.
- Under the terms of our SPP power purchase agreements with EGAT relating to two of our coal-fired facilities (90 MW contracted capacity each), which together accounted for 4.9 percent of our total revenues in 2010, our fuel costs are only partially passed through to EGAT at contracted heat rates and certain benchmark of coal price, as relating to our purchase of coal, the freight charges, which are an important component of fuel costs, are not passed through to EGAT. Increase in overall coal costs, including freight costs, may have an adverse effect on our profit margins.
- Under the terms of our power supply agreements with industrial customers, which together accounted for 27.7 percent of our total revenues in 2010, we mostly sell electricity at prices that are based on the retail electricity tariff charged by the Provincial Electricity Authority of Thailand (the "PEA"), the electricity distribution utility for the areas of Thailand in which we operate. Although the PEA tariff is designed to reflect fluctuations in fuel prices through a fuel transfer charge (the "Ft"), it does so by reference to a fuel index (maintained by EGAT), which is not designed to reflect our actual fuel costs and only factors in the costs of coal (which we also use to generate up to 235 MWeq of electricity that we supply to our industrial customers) to a very limited extent. In November 2010 we have taken in commercial operation a 115 MWeq coal fired plant (CFB 3) to supply power and steam to industrial customers. This will not only increase fuel diversification but also coal commodity risk. In addition, the Ft does not always function as designed. See "-We price a portion of our electricity sales by reference to the PEA tariff, which does not reflect our actual costs and may not be adjusted as designed to reflect fluctuations in, among other things, fuel costs and inflation".
- Under the terms of our steam supply agreements with industrial customers, which together accounted for 11.5 percent of our total revenues in 2010, we sell steam based on prices that are indexed to fluctuations in the price of natural gas, but not coal (which we also use to produce the steam that we sell).

Because we cannot pass through all of the changes in our fuel costs to our customers, we are exposed to increases in the prices of fuel (and in particular coal). If there are material increases in our cost of fuel and we are unable to pass these increases through to our customers, this will directly reduce our profit margins and could have a material adverse effect on our business, results of operations, financial condition and prospects.



***We price a portion of our electricity sales by reference to the PEA tariff, which does not reflect our actual costs and may not be adjusted as designed to reflect fluctuations in, among other things, fuel costs and inflation***

Under the terms of our electricity supply agreements with our industrial customers, which together accounted for 27.7 percent of our total revenues in 2010, we mostly sell electricity at prices that are based on the retail tariff charged by the PEA. The PEA's tariffs are regulated by the Energy Regulatory Commission (the "ERC") and take into account the electricity generation, purchase, transmission and distribution costs of the PEA, the Metropolitan Electricity Authority of Thailand (the "MEA") and EGAT, the major electricity utilities in Thailand. Therefore, the PEA tariff rates, and consequently the prices at which we sell electricity to our industrial customers, do not necessarily reflect our actual costs of producing and supplying this electricity.

The PEA tariff is designed to reflect fluctuations in fuel prices, inflation, foreign exchange rates and other factors by application of the Ft. However, the most significant component of the Ft, the fuel cost component, refers to a general fuel index that does not necessarily reflect our actual fuel costs and only factors in coal costs, which we use to partially generate electricity that we supply to our industrial customers, to a very limited extent. In addition, the Ft does not always function as designed. When the Ft adjustment is not applied or not fully applied to the PEA tariff in a rising fuel cost environment, it means that the prices at which we sell electricity to our customers are not increased to reflect higher prevailing fuel prices, and consequently, our profit margins are reduced, and vice versa. For the foregoing reasons, our reliance on the PEA tariff could have a material adverse effect on our business, results of operations, financial condition and prospects.

***We are highly dependent on EGAT***

EGAT is our largest and most important customer and is committed to purchasing electricity from us under our EGAT power purchase agreements, which are long-term contracts with durations from 21 to 25 years. The EGAT power purchase agreements are material to our business, accounting for 54.0 percent of our revenues in 2010. EGAT is the dominant participant in the Thai electricity market. In addition to being the single wholesale buyer and controlling all of the wholesale transmission of electricity in Thailand, EGAT is also Thailand's largest electricity generator. A number of our important contracts contain unclear terms which have led to disagreements with EGAT regarding the operation of our business, as discussed below in "-We have had a number of significant disputes with EGAT in the past" and which could result in further disputes in the future. Any material disputes or disagreements that we have with EGAT could have a material adverse effect on our business, results of operations, financial condition and prospects.

***We are highly dependent on a small number of industrial customers concentrated in the petrochemicals sector***

In addition to EGAT, we are also highly dependent on a small number of industrial customers. Our ten largest industrial customers (which, for the avoidance of doubt, exclude EGAT) accounted for 28.7 percent of our total revenues in 2010, whereas total sale to industrial customers accounted for 40.2 percent of our total revenue in 2010. A disruption of our relationship with one or more of our industrial customers could have a material adverse effect on our business, results of operations, financial condition and prospects. Further, our industrial customers are highly concentrated both geographically and in terms of industrial classification. Most of our industrial customers are located in the MIE or elsewhere within the MIE Area. This exposes us to increased risk of regulatory changes in respect of operation in MIE, an accident, natural disaster, infrastructure or other failure or breakdown disrupting the facilities of the MIE, the other industrial estates in which our industrial customers are located or the MIE Area generally.

In addition to their geographic concentration, many of our industrial customers are companies operating in petrochemical or petrochemical-related industries. This exposes them, and indirectly us, to the performance of the petrochemical sector. Many petrochemical products are commodities and the petrochemical industry is highly competitive. In addition, significant price fluctuations and business cyclicality are common in many petrochemical-related industries. These factors may affect our ability to conclude new agreements with these customers or negatively affect our demand and load factor, customer creditworthiness, the timing of our customers' expansions and thereby the terms on which we are able to reach any such new agreements and may, for these reasons or otherwise, have a material adverse effect on our business, results of operations, financial position and prospects.

Despite that, we have successfully extended some of the long term contracts with industrial customers that were due to expire in coming 2 to 3 years but, we cannot assure that we will be able to retain those customers whose contract are expiring in medium term or find new customers to replace them on commercially reasonable terms when our sales agreements with them expire. In addition, it is important to our business to maintain minimum levels of steam sales in order to meet applicable generating efficiency requirements (and failure to do so could result in termination of certain of our SPP power purchase agreements with EGAT). If we are unable to retain our customers or to find new customers to replace them on commercially reasonable terms and along the product lines that we require, this could have a material adverse effect on our business, results of operations, financial position and prospects.

Under our power supply and steam supply agreements with industrial customers, our companies may be subject to liquidated damage liability in an event of interruption in the supply of power and/or steam and/or a failure to meet an annual guarantee of availability of power or steam, subject to the conditions indicated in each agreement, which may vary from one to another. We cannot assure you whether there would be such liabilities incurred to us or not, or if incurred how materiality it would be, throughout the terms of our existing and future agreements.

### ***We face significant competition***

We face significant competition, particularly in respect to our supply of electricity and steam from our cogeneration facilities to industrial customers in the MIE Area. Although our customers are party to long-term agreements with us, we compete with PEA and the utility business units of both PTT Chemical Public Co., Ltd., and PTT Utility Company Limited (or "PTT Utility"), which are both affiliates of PTT. PTT Chemical's utility business unit, PTT Utility and PEA have certain competitive advantages over us. PTT Chemical and PTT Utility are affiliated with PTT, the principal natural gas supplier in Thailand and, through this relationship, with a number of companies in the MIE Area (including many of our important customers). PTT also has an equity interest in a number of our industrial customers (most significantly PTT Chemical and PTT Aromatics and Refining), sales to these two companies accounted for 9.7 percent of our total revenue from electricity sold to industrial customers, 25.3 percent of our total revenue from sales of steam and 6.0 percent of our total revenues in 2010. PEA, on the other hand, does not require its customers to enter into long-term contracts.

According to market information as of December 2010, PTT Utility is aimed at supporting the future growth of the petrochemical business of the PTT group of companies, but may also serve the utility needs of nearby factories in the MIE Area. We believe the level of competition that we face for industrial customers in the future will be maintained, particularly in the following respects: (i) certain of our important customers are PTT affiliates and (ii) certain of our existing customers already do business with PTT and its affiliates. See "Business-Competition" for more discussion of the competitive risks that we believe PTT Utility poses to our business.

### ***We are subject to significant contractual risks under our SPP power purchase agreements***

EGAT is our largest and most important customer, and sales to EGAT from our SPPs accounted for 23.1 percent of our total revenues in 2010 (see "-We are highly dependent on EGAT"). EGAT is the sole purchaser of wholesale electricity in Thailand. Due in part to the foregoing, our SPP power purchase agreements with EGAT are standard form contracts that we were not given an opportunity to negotiate. This means that these contracts are not tailored to our specific operating circumstances and contain a number of ambiguous provisions. Certain of the terms of our existing SPP power purchase agreements that we believe present risks to our business are as follows:

- A power purchase agreement may be terminated before the end of its term due to the default of either party and our only remedy may be to bring a claim in arbitration and prove damages;
- Although the power purchase agreements do not include liquidated damages provisions, penalties are imposed in the form of reduced capacity or energy payments from EGAT or refunds by us where (i) we supply less than the contracted capacity, (ii) we provide electricity for less than 7,008 hours in a year, (iii) the cogeneration efficiency is less than 45 percent or (iv) thermal energy accounts for less than 10 percent of our total energy sold;



- If a force majeure event affecting EGAT or a governmental force majeure event (as defined in the power purchase agreement) prevents us from supplying electricity to EGAT, EGAT will continue to make its capacity payment (the payment that is designed to allow us to recover our fixed costs for constructing and operating the power generating facility over the life of the contract) to us for only up to six months. In addition, failure by PTT to deliver gas to us is not considered to be a governmental force majeure event for these purposes, so in the event of a PTT supply failure EGAT will only pay us for capacity actually made available and energy actually delivered; and
- Our SPP power purchase agreements with EGAT contain only a general commitment for both parties to negotiate in good faith to amend to our contractual arrangement in response to any adverse change in law, including changes in environmental standards, which provides us with only limited change-in-law protection. This is particularly relevant if new laws were to impose more stringent environmental conditions on our existing facilities, which could require significant operational and capital expenditure.

Further to the existing operational SPP power purchase agreements in December 2009 we have entered into a new 74 MW agreement with EGAT, which will become operational in June 2012. This agreement, in addition to the general provisions described above, has certain new provisions, such as:

- The SPP requirement for thermal energy production and efficiency will be defined once a year in a test and calculated by a third party
- In case we do not meet the thermal energy production and/or efficiency requirement mentioned above, there is no penalty for that, but we will not receive the Primary Energy Savings component, which is introduced in the tariff.
- In case of capacity shortfall that lasts longer than 18 months during any 24 month period or EGAT can prove that we shortfall supply to EGAT and sell the shortfall to industrial customers, the contracted capacity will be reduced by the shortfall capacity since the commercial operation date of the agreement and we need to pay as penalty the difference of the capacity payment based on original and reduced contractual capacity since the commercial operation date.

These contractual risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

### ***We operate in a highly regulated industry that is subject to change***

The regulatory framework applicable to electricity generating companies in Thailand has undergone significant structural changes in the past and may undergo significant changes in the future. In addition, there have been a variety of proposals for reform of the Thai electricity industry in the past which, once made, have subsequently been delayed, cancelled, or significantly modified prior to their implementation.

Thailand has been considering deregulation of the electricity industry for a number of years, including privatization of EGAT, MEA and PEA. EGAT began the process of privatization, but this privatization process was cancelled. However, the EGAT power purchase agreements for our SPPs do not contain any provisions dealing with the potential future privatization of EGAT or the restructuring of the electricity sector. We are unable to predict what impact deregulation or privatization would have on our contractual arrangements and on the electricity sector in Thailand in general. If such deregulation were to have the impact of abolishing the PEA tariff, for example, which is the reference price that we use to price our electricity sales to most of our industrial customers, we would likely have to attempt to renegotiate the pricing structure with our industrial customers, which we may not be able to do on reasonable commercial terms or at all.

Because we operate a number of SPPs (and our companies account for a material portion of all SPP electricity sold to EGAT), which are higher-cost wholesale electricity generators compared to IPPs and many of EGAT's generating facilities, we are exposed to regulatory changes that seek to increase generating efficiency or to penalize high-cost generating facilities. This could take the form of changes in law and many of our key sales contracts do not contain specific mechanisms for compensating us in the event of adverse changes in law.

To facilitate continued reform, the Energy Industry Act B.E. 2550 (2007) was published on the 10<sup>th</sup> of December 2007. Under such act, an independent regulatory body, the Energy Regulatory Commission (“ERC”), has already been established on the 1<sup>st</sup> of February 2008 in order to regulate both the electricity and natural gas supply industries and to ensure fair competition. This agency’s responsibilities will include the following:

- Regulate the energy industry operation to ensure the compliance with the objectives of this Act under the policy framework of the government;
- Issue an announcement determining the types of licenses for energy industry operation, and recommend the issuance of a Royal Decree to determine the categories, capacities and characteristics of energy industry that are exempt from the license requirement;
- Establish measures to ensure security and reliability of the power system;
- Establish the regulations and criteria of the electricity procurement and the issuance of Requests for Proposals for the purchase of power as well as monitor the selection procedures to ensure fairness for all stakeholders;
- Provide comments on the power development plan, the investment plans of the electricity industry, the natural gas procurement plan and the energy network system expansion plans for submission to the Minister;
- Inspect the energy industry operation of the licensees to ensure efficiency and transparency;
- Issue regulations or announcements establishing the customer service standards and quality, including measures to protect energy consumers against adverse impacts resulting from the energy industry operation;
- Propose the rules and Codes of Conduct of the Board Members and the competent officials to the Minister;
- Issue regulations or announcements on the determination of the policy and guidelines with regard to the stake holding or the conflict of interests of the Board Members and the competent officials;
- Issue regulations or announcements on the determination of criteria, method and conditions of the contribution sending to the Fund and the Fund utilization to be in line with the NEPC policy;
- Issue orders and determine the administrative fines;
- Provide comments or recommendations related to the energy industry operation to the Minister and the cabinet;
- Promote and support the research study in the field of energy industry operation;
- Promote knowledge and awareness in relation to energy in the society and among the general public;
- Promote and support human resources development in order to increase efficiency in the energy industry operation;
- Promote economical and efficient use of energy and the use of renewable energy and energy that has less adverse impact on the environment, with due consideration of the efficiency of the electricity industry operation and the balance of natural resources;
- Coordinate with other agencies in relation to the execution of the duties stipulated in the Energy Act; and
- Perform any other task as stipulated in this Act or in other laws as part of the Board’s authority and duties.



These or other regulatory or structural changes affecting the Thai electricity industry could require us to significantly change the way that we operate our business and could have a material adverse effect on our business, results of operations, financial condition and prospects.

### ***We have had significant disputes with EGAT in the past***

In the past, we have been involved in discussions with EGAT regarding important aspects of our business, including interconnection of our various cogeneration facilities, the right to conduct off-line water wash and shut down our Glow IPP facility for such purpose, the reference index for coal prices that we are permitted to pass through to EGAT under our power purchase agreements and the synchronization of our non-SPP generating units to the EGAT grid. Although we do not characterize these as material disputes, we believe that, because of the structure of the Thai electricity supply industry and the nature of our power purchase agreements, we will likely continue to maintain an ongoing dialogue with EGAT to resolve these and similar types of issues in order to continue to clarify certain aspects of our contractual relationship. There is the potential for disputes to arise in connection with any such issues or points of discussion. Because EGAT is our most important customer and disputes with EGAT may involve some of our most important contracts, any disputes that we may have with EGAT in the future may require us to materially change the way in which we operate our business and could have a material adverse effect on our business, results of operations, financial condition and prospects.

### ***Our business operations are dependent on the availability of fuel***

Our business is dependent on the availability of fuel, in particular natural gas and coal. In 2010, purchases of natural gas accounted for 74.9 percent of our cost of sales and purchases of coal accounted for 6.9 percent of our total cost of sales. Shortages in natural gas or coal, or an inability of our suppliers to provide these fuels to us, could prevent some or all of our facilities from being able to generate electricity and steam, which could prevent us from fulfilling our contractual obligations.

We have entered into long-term natural gas supply agreements with PTT. Because of the structure of the Thai fuel supply industry, PTT currently operates as an effective monopoly and is the only entity that is able to supply us with natural gas to allow us to operate our business. In the event that PTT fails to supply us with adequate quantities of natural gas under our gas supply agreements, we could face significant disruptions to our business. Although there is a compensation provision in the gas supply agreements between our SPPs and PTT which require PTT to compensate us for its inability to deliver contracted quantities of natural gas to us, this compensation only extends to natural gas that we use to produce electricity to sell to EGAT and not to our industrial customers. Most of our gas-fired facilities are designed to be able to run on diesel fuel as an alternative fuel source, but we could incur significant costs and operating inefficiencies in switching to and operating by using diesel fuel. Moreover, our cogeneration facilities may not be able to operate on diesel fuel for sustained periods of time, as, when operating on diesel fuel, we consume diesel fuel faster than we are able to re-fill our diesel fuel storage tanks.

There is a risk of natural gas supply disruption resulting from defects in or the requirement for maintenance of the pipeline, over which we have no control. The current limitations on the supply of natural gas to the areas in which we operate, or any disruption in the supply of natural gas, could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have entered into a long-term coal supply agreement between Banpu International Limited (or “Banpu”) and Glow SPP 3 to supply coal to our three CFBs (including the new 115 MWeq cogeneration unit of Glow Energy). We have also entered into medium term coal supply agreement with few international coal suppliers/traders. Our coal risk management policy is to diversify our procurement to at least 3 contracts with different expiry years, subject to market condition. Our policy is also to aim to procure 90 percent of coal required for the next year (N), 66 percent of coal required for the following year (N+1) and 33 percent of coal required for the next 2 years (N+2)

There is a risk of coal supply disruption resulting from various circumstances, including a situation where our long-term or medium-term coal supplier could not fulfill its obligations and we could not arrange substitute supply from our other suppliers or spot market. In such situation, we also cannot assure that the cost of substitute supply would be commercially competitive.

### ***We are highly dependent on PTT***

As discussed under “-Our business operations are dependent on the availability of fuel”, we rely heavily on PTT for the supply of natural gas to our operating facilities. Purchases of fuel gas, which were almost all purchased from PTT, accounted for approximately 74.9 percent of our total cost of sales in 2010. In addition to being a key supplier, PTT has an equity interest in PTT Chem and PTT Utility, two of our principal competitors (as discussed above under “-We face significant competition”). PTT also has an equity interest in a number of our industrial customers (most significantly PTT Chemical, and PTT Aromatics and Refining). Sales to these two customers accounted for 9.7 percent of our total revenue from electricity sold to industrial customers (in MWh), 25.3 percent of our total revenue from sales of steam and 6.0 percent of our total revenues in 2010. See “-We face significant competition”.

If our competitive position with PTT adversely affects its willingness to, or the terms on which it will, enter into new agreements to supply natural gas to us, or if our relationship with PTT deteriorates for any other reason, this could have a material adverse effect on our business, results of operations, financial condition and prospects.

### ***We are subject to significant contractual risks under our SPP gas supply agreements with PTT***

PTT is our largest and most important fuel supplier (see “-We are highly dependent on PTT”). PTT is majority-owned by the government and currently has an effective monopoly with respect to supply of natural gas in Thailand. Due in part to the foregoing, our gas supply agreements with PTT are standard form contracts that we were not given an opportunity to negotiate. This means that, among other things, our gas supply agreements with PTT are not tailored to our specific operating circumstances and contain a number of ambiguous provisions. Although the terms of our PTT gas supply agreements vary from each other, certain of the terms contained in at least some of our PTT gas supply agreements that we believe present risks to our business are as follows:

- A gas supply agreement may be terminated before the end of its term due to the default of either party and our only remedy may be to bring a claim in arbitration and prove damages (rather than allowing us to require PTT to continue to supply gas to us pending resolution of the dispute);
- PTT only undertakes to use its “best efforts” to deliver the specified daily quantity and is not under an absolute obligation to deliver gas to us;
- The terms relating to PTT’s requirement to compensate us if PTT fails to deliver gas meeting contractually-designated specifications are unclear and in any case the amount of any compensation that it would pay to us is capped;
- Non-compliance with any term in a gas supply agreement by either party that is not remedied within 60 days of a notice of default thereof constitutes an event of default and enables the non-defaulting party to terminate the gas supply agreement;
- Specifications of gas are standard form with wide specification range. Even though we design our unit to be able to operate under current gas quality of PTT, we cannot ensure that current design will be applicable if there is a change in PTT’s gas quality, or if we would be fully compensated for modification required due to any change of gas quality.

These contractual risks could have a material adverse effect on our business, results of operations, financial condition and prospects.



***We are engaging in numbers of expansion projects, therefore, are exposed to risks associated with completion of such projects.***

We have completed construction of 115 MWeq coal-fired cogeneration plant but are still engaging in 2 major expansion projects; 660 MW coal-fired IPP plant, and 382 MWeq gas-fired cogeneration plant. The 115 MWeq coal-fired cogeneration plant started commercial operation in November 2010, and we have contracted to sell all of its capacity to industrial customers. The 660 MW coal-fired plant is targeted to reach commercial operation within first quarter of 2012, and we have entered into a long term Power Purchase Agreement with EGAT to supply all of the production of this plant to EGAT under the IPP program. The 382 MWeq gas fired cogeneration plant is scheduled to start commercial operation in 3<sup>rd</sup> quarter of 2011, and we have contracted to sell majority, but not all, of its capacity. We cannot ensure that all capacity of the 382 MWeq gas fired cogeneration facility will be sold before scheduled COD. This could have a material adverse effect on the business, results of operation, financial conditions and prospects.

Both projects mentioned are under construction. We cannot ensure that we would ultimately be able to complete the construction of above-mentioned projects within the schedule and/or within the budget. Also, we cannot ensure that we would ultimately be able to source funding as required for completion of construction of the projects, and that the cost of such funding would be on competitive basis. Substantial delay in completion of these projects could have a material adverse effect on the business, results of operation, financial conditions and prospects.

***Opposition of expansion in Map Ta Phut, declaration of Map Ta Phut Pollution Control Zone and related Administrative Court ruling***

Some NGO's, local communities and politicians have made claims that the industrial expansion of the petrochemical complex in Map Ta Phut is not sustainable from a health and environmental point of view. Several measures restricting environmental permits were made in the past, including: No new environmental impact assessment approvals unless NO<sub>x</sub>, SO<sub>2</sub> and TSP emissions from existing plants are reduced by 125 percent of the emissions of any planned new plant.

Our EIA for the two new projects - 660 MW coal fired plant and 382 MWeq gas fired cogeneration plant - were approved based on the abovementioned principal. We need to invest and improve our existing facilities to reduce the emission by 125 percent of the amount emitted by the new plants in order to do the expansion project. There could also be new more stringent emissions standards applicable in Map Ta Phut or generally in Thailand imposed on existing power plants and/or new power plants. There could also be a decision to develop the petrochemical business further in a new complex in Southern Seaboard or our customers may decide to invest outside of Thailand. This could have a material adverse effect on the business, results of operation, financial conditions and prospects for future expansions.

In March 2009 Rayong Administrative Court declared Map Ta Phut as a "Pollution Control Zone", which was later confirmed also by National Environmental Board. In June 2009 certain individuals together with some NGOs filed a petition to Central Administrative Court ("CAC") claiming that certain permits issued after revision of Thai constitution in 2007 were issued illegally and requested revoking such permits. In addition the claimants requested the CAC to provide temporary protection by suspending 76 projects in MIE Area. CAC's ruling to order injunction was enforced by the Supreme Administrative Court while reducing the number of suspended projects to 65. Although our operations, including the expansion projects under construction, have all necessary permits and are not included in the suspended projects, some of our existing new and/or potential customers may have been affected by the court orders.

In June 2010, we learned from Industrial Estate Authority of Thailand ("IEAT") that The Stop Global Warming Association had filed a complaint with the CAC and GHECO-One's and Glow SPP 3's Project names are in the list attached to the complaint (the "Second NGO Complaint"). Even though we are not named as defendant, the complaint involved, among other things, motion to suspend the projects named in the complaint.

In October 2010, GHECO-One received a letter from the IEAT requiring it to comply with Section 67, paragraph 2, of the Constitution and set the deadline that GHECO-One shall submit the Environment and Health Impact Assessment report (or "EHIA report") to The Office of Natural Resources and Environmental Policy and Planning (or "ONEP") within 180 days after the date of receiving the notice (which is around April 2011). Or else, the construction permit previously issued by IEAT shall be

revoked. Even though GHECO-One has completed final public review, a process required for EHIA, in December 2010 and already submitted EHIA report to ONEP for approval in February 2011. We cannot assure when and/or whether our EHIA will be approved.

While our operations and projects under construction comply with current regulations and have all necessary permits needed for operating existing plants and construction of new plants in place, the new regulation, related to industries being potentially harmful to health, requires us to conduct the Environmental and Health Impact Assessment (EHIA) for our 660 MW coal-fired plant expansion project as a condition for the operation permits still to be obtained. Due to uncertainties in the process, this may cause delay in starting commercial operation. This may have a material adverse effect on the business, results of operation, financial conditions and prospects. We cannot also assure that we would be able to obtain necessary operation permits of our plants under construction when they are ready to start commercial operation.

### ***We are exposed to foreign exchange risk***

We are exposed to foreign exchange risk in a number of aspects. Many of our operating costs are denominated in US dollars and other currencies. Most of our US dollar-denominated operating costs can be serviced by US dollar-linked income. However, we also purchase parts and equipment for our plants in US dollars, and Glow IPP incurs a significant amount of Euro-denominated costs relating to maintenance. Moreover, our coal and coal freight costs, are US dollar-based and we cannot fully pass the fluctuations in these costs (including as a result of currency fluctuations) through to our customers. Further, while our revenues are partially linked to the US dollar, a significant amount of our indebtedness is Baht-denominated. We have in the past targeted a substantial degree of US dollar content or linkage in cash flows (and thus normalized net earnings) available to distribute to shareholders and, if we continue to do so, any appreciation of the Baht compared to the US dollar would reduce the Baht amount of dividend payments to our shareholders. For these reasons, significant fluctuations in exchange rates could have a material adverse effect on our business, results of operations, financial condition and prospects.

### ***Our insurance coverage may not adequately protect us against possible risk of loss***

Our operations are subject to operating and other risks typically associated with electricity generation. Insurance markets are cyclical. As a result, we may at times be unable to obtain appropriate insurance on commercially reasonable terms or at all, which may subject us to potentially significant financial loss upon the occurrence of a large uninsurable event.

We have all-risk and business interruption, third party liability, terrorism and other insurance coverage. Our principal insurance covers loss arising out of physical loss or damage to our plants and generating machinery as well as financial loss resulting there from, but contains certain customary exclusions and deductibles. If we suffer a large uninsured or excluded loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially adversely affected.

### ***Operation of one of our subsidiaries is exposed to hydrology risks***

We completed acquisition of Houay Ho Power Company Limited (“HHPC”) and Houay Ho Thai Company Limited (“HHTC”) in May 2009. HHPC is operator of 152 MW hydro power plant in Attapeu province, Lao PDR., while HHTC is a holding company held 25 percent stake of HHPC. Currently, we effectively hold 67.25 percent stake in HHPC, through both direct holding in HHPC and indirect holding through HHTC.

As a general characteristic of hydro power plant, its operation highly depends on amount of rainfall and, in case of HHPC, amount of water stored in its dedicated reservoir. Also, the power purchase agreement between HHPC and EGAT contains provision dictating minimum amount of electricity to be sold to EGAT. In case that HHPC could not supply such minimum amount, it may be subject to penalty, except for limited number of times and with certain conditions when HHPC could declare in advance inability to supply minimum generation due to drought (“Drought year”). For these reasons, negative variance in rainfall in the area of HHPC plant could adversely and materially affect operation of HHPC. In 2010 we had exceptionally low rainfall, which resulted in a declaration of Drought Year in 2011.



Business

# Business

## HISTORY

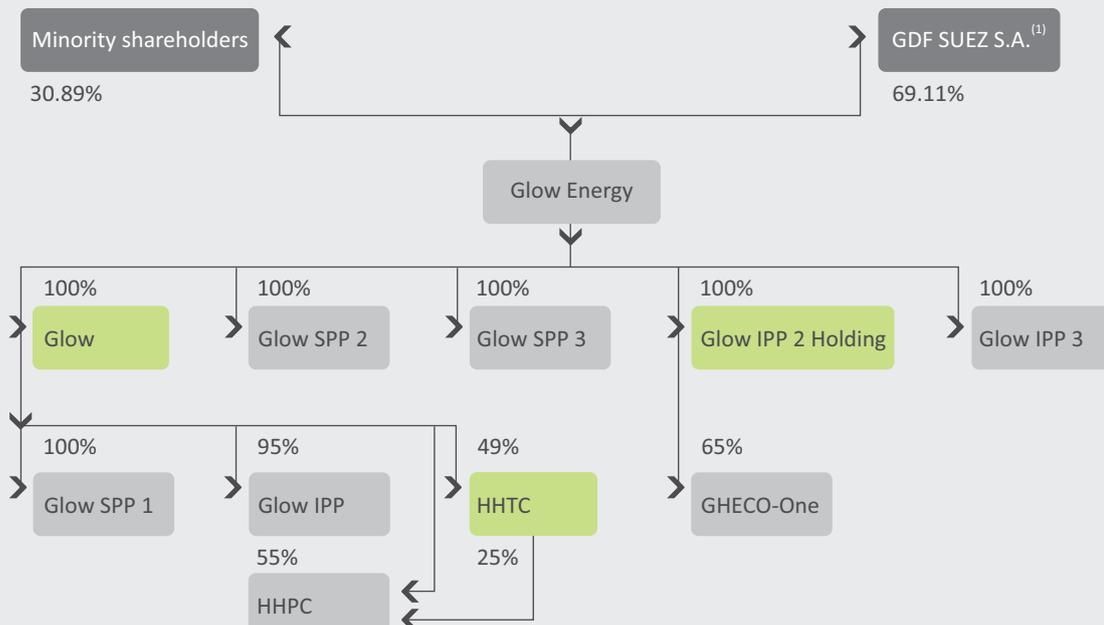
Glow Energy Plc. was incorporated as “The Cogeneration Public Company Limited” in October 1993. SUEZ Tractebel S.A., currently subsidiary of GDF SUEZ S.A. (GDF SUEZ S.A. and its subsidiary collectively referred to as “GDF SUEZ”), acquired its initial interest in Glow Co., Ltd. in September 1997 and in Glow Energy Plc. in November 2000, after which the latter was delisted. Our company was formed when Glow Energy Plc. acquired Glow Co., Ltd. from GDF SUEZ in December 2004.

In 2007, we formed two holding companies and one operating company: Glow IPP 2 Holding Co., Ltd. (“Glow IPP 2 Holding”), Glow IPP 3 Co., Ltd. (“Glow IPP 3”), and GHECO-One Co., Ltd. (“GHECO-One”). Glow IPP 2 Holding and Glow IPP 3 are holding companies. GHECO-One is an operating company. The principal business of these companies is the development and operation of power generation projects in Thailand.

In September 2008, GHECO-One signed a long-term power purchase agreement with EGAT and started construction of a 660 MW coal fired project located in MIE. Glow Group owns a 65 percent share in this project; Hemaraj Land and Development Plc. (or “Hemaraj”) owns the remaining 35 percent share.

In 2009, Glow Co., Ltd. acquired a 49 percent stake in Houay Ho Thai Co., Ltd. (or “HHTC”) and a 55 percent stake in Houay Ho Power Co., Ltd. (or “HHPC”) from GDF SUEZ. HHTC is a holding company with a 25 percent stake in HHPC. Therefore, we effectively hold a 67.25 percent stake in HHPC. HHPC owns and operates a 152 MW hydro power plant in Attapeu province, Lao PDR.

*The following diagram displays our current organizational and ownership structure as of 31 December 2010:*



**Note:** <sup>(1)</sup> GDF SUEZ S.A. holds its interest in Glow Energy through its two wholly-owned subsidiaries, GDF SUEZ Energy (Thailand) Co., Ltd. and GDF SUEZ Energy Asia Turkey and Southern Africa B.V., who takes ownership of Glow Energy’s shares through merger with SUEZ-Tractebel Energy Holding Cooperative U.A. in December 2010.



*The following timeline is of key events in Glow Energy's history and development*

<b>October 1993:</b>	Glow Energy incorporated under the name "The Cogeneration Public Company Limited".
<b>February 1996:</b>	The Cogeneration Plc. lists on the Stock Exchange of Thailand ("SET").
<b>April 1996:</b>	The Cogeneration Plc.'s cogeneration plant begins initial commercial operation.
<b>September 1997:</b>	GDF SUEZ formed a joint venture with Hemaraj Land and Development Plc. ("Hemaraj"), in which each party shared a 50 percent stake in Glow Co., Ltd. (formerly H-Power Company Limited). At the time, H-Power owned 100 percent of Glow SPP 1 (formerly Industrial Power Company Limited) and 51 percent of Glow IPP (formerly Bowin Power Company Limited).
<b>February 1998:</b>	Glow SPP 1's 124 MW cogeneration plant begins commercial operation.
<b>March 1999:</b>	The Glow SPP 2 / Glow SPP 3 hybrid plant begins commercial operation.
<b>May 1999:</b>	Glow Co., Ltd. acquires the remaining 49 percent stake in Glow IPP from International Generating Co., Ltd., increasing its interest to 100 percent .
<b>June 2000:</b>	GDF SUEZ increases interest in Glow Co., Ltd. to 75 percent.
<b>2000 - 2004:</b>	GDF SUEZ progressively increases its interest in Glow Co., Ltd. to 100 percent in a series of transactions involving the indirect sale of a 5 percent stake in Glow IPP to Hemaraj.
<b>November 2000:</b>	GDF SUEZ acquires a 62 percent stake in The Cogeneration from Sithe Pacific Holdings Limited.
<b>February/March 2001:</b>	GDF SUEZ increases its shareholding in The Cogeneration to 99 percent by purchasing Banpu's shares and conducting a tender offer for the remaining outstanding shares.
<b>August 2002:</b>	The Cogeneration's shares delisted from the SET.
<b>January 2003:</b>	Glow IPP's 713 MW plant in Hemaraj Chonburi Industrial Estate, Bowin begins commercial operation.
<b>December 2004:</b>	Glow SPP Plc. acquires 100 percent of Glow Co., Ltd. from GDF SUEZ.
<b>February 2005:</b>	Company name changes from Glow SPP Plc. to Glow Energy Plc.
<b>April 2005:</b>	Glow Energy lists shares on the SET.
<b>September 2008:</b>	Signed Power Purchase Agreement with EGAT and started construction of GHECO-One project in October 2008.
<b>May 2009:</b>	Glow Co., Ltd. acquires 49 percent stake in HHTC and 55 percent stake in HHPC from GDF SUEZ S.A. subsidiaries.
<b>November 2010:</b>	Glow Energy's 115 MWeq coal-fired plant (CFB 3) started commercial operation.
<b>December 2010:</b>	SUEZ-Tractebel Energy holding Cooperative U.A. was merged with GDF SUEZ Energy Asia, Turkey and Southern Africa B.V. holding 25 percent in Glow Energy.

Although separate companies within our corporate group own our key operating assets, we maintain a single, coordinated management structure for all of our group's companies and assets. This allows us to effectively monitor and coordinate our production facilities' operations.

GDF SUEZ, One of the leading energy providers in the world, is headquartered in Paris, France with energy-related businesses throughout North America, South America, Europe, Africa, Middle East, Asia and Pacific.

GDF SUEZ activities are divided into five operational business lines in energy and one in environment:

- Energy France
- Energy Europe & International
- Global Gas & LNG
- Infrastructures
- Energy Services
- Environment

Our company is part of GDF SUEZ Energy Europe & International. The division is involved in the development and management of electricity and gas projects as well as providing customized services to support its customers throughout all the stages of their development.

In August 2010, GDF SUEZ announced the combination of its Energy International Business Areas (outside Europe), and certain assets in United Kingdom and Turkey (collectively referred to as “GDF SUEZ Energy International”), with International Power PLC. (“International Power”), a listed company in United Kingdom. The combination will result in enlarged International Power, with leadership positions in major regional markets (Latin America, North America, the UK-Europe, the Middle East, Asia and Australia). Stake of Glow Energy held by GDF SUEZ is part of GDF SUEZ Energy International to be combined with International Power. After the combination, GDF SUEZ will hold 70 percent of International Power. The Combination is completed on February 2011.

## BUSINESS

### 1. Overview

Glow Energy Plc. and its subsidiaries are one of the largest private electricity generators and providers of industrial utilities in Thailand. We operate Independent Power Producers (“IPP”) and cogeneration facilities, most of which also operate as Small Power Producers (“SPP”) under Thailand’s SPP program. Our core business is to produce and supply electricity to EGAT, and to produce and supply electricity, steam and processed water to industrial customers in the MIE and MIE Area.

We have operated in Thailand since 1993. Four of our principal production facilities are located on Thailand’s eastern seaboard in industrial areas in Rayong and Chonburi Provinces. Since acquiring the Houay Ho hydroelectric plant in the first half of 2009, we also own production facility in Lao PDR’s Attapeu Province. On December 31, 2010, we had a total generating capacity of 1,945 MW of electricity and 1,046 tons per hour of steam.

Electricity generation and sales are the most important components of our business, accounting for 81.7 percent of total revenues in 2010. The generation and sale of steam is also a significant part of our business, accounting for 11.5 percent of total revenues in 2010. We currently own and operate five principal production facilities. Their operating characteristics as of December 31, 2010, are:

- Glow IPP plant: Located in the Chonburi Industrial Estate 713 MW of electrical generating capacity;
- Houay Ho hydroelectric IPP plant: Located in Attapeu Province, Lao PDR. 152 MW of electrical generating capacity;
- Glow Energy cogeneration plants: Located in the MIE 281 MW of electrical generating capacity; 550 tons per hour of steam; and 2,520 cubic meters per hour of processed water;
- Glow SPP 1 cogeneration plant: Located in the EIE 124 MW of electrical generating capacity; 90 tons per hour of steam; and 190 cubic meters per hour of processed water. ;



- Phase 3 cogeneration plants: Located in the MIE. The complex consists of
  - Glow SPP 2 / Glow SPP 3 plant: 513 MW of electrical generating capacity; 190 tons per hour of steam; and 150 cubic meters per hour of processed water;
  - Glow Energy Phase 4 plant: 77 MW of electrical generating capacity; 137 tons per hour of steam and 2,050 cubic meters per hour of processed water;
  - Glow Energy CFB 3 plant: 85 MW of electrical generating capacity; 79 tons per hour of steam.

In 2010, we had total revenues of Baht 37,878.8 million and a net profit of Baht 5,715.5 million. As of December 31, 2010 we had total assets of Baht 107,326.5 million.

## 2. Expansion and Potential Expansions

Our electricity and steam generating facilities in the MIE are operating at near-full capacity. We started the construction of new electricity generating facilities in 2007 and 2008 in order to meet our customers' increasing demand for electricity.

The cost of the new cogeneration expansion project is estimated at approximately US\$ 500 million. It is designed to have a net electrical generating capacity of 342 MW, and will produce 120 tons per hour of steam. The construction of the facility started in the second half of 2008 and is progressing as planned to become commercially operational in third quarter 2011.

In October 2007, Glow Energy Plc. submitted a proposal to the Ministry of Energy under the IPP Solicitation of 2007 - 2011 for a new 660 MW (net) coal fired plant to be located in the MIE. It is designed to sell all of its capacity to EGAT under the IPP Program. In 2008 we obtained the necessary licensing and financing for the project, and signed long term PPA with EGAT. The construction of the facility started in the middle of 2008 and is progressing as planned to become commercially operational by first quarter of 2012.

In April 2009, we submitted a proposal to the Government of Lao PDR. (GOL) to conduct a feasibility study for the development and implementation of a hydroelectric powerplant. The plant is planned to be located in the lower Xepian River in Laos's Attapeu Province, and to have a net generating capacity of approximately 100 MW. In December 2009, the GOL invited us for negotiations on the terms of a Memorandum of Understanding, under which the GOL would give exclusive rights to HHPC to conduct the feasibility study. If the results are positive, negotiations regarding the terms of a concession for implementation will follow. The MoU was signed in March 2010, granting us exclusivity to conduct and complete the feasibility study within third quarter of 2011. Our tentative plan is for the plant to achieve commercial operation in 2015, if the project is assessed to be feasible.

## BUSINESS STRATEGIES

Our vision is to optimize profitability through operational excellence and value-creating growth in Thailand and neighboring countries. We have crafted a business strategy that takes into account four perspectives: commercial, operational, financial and human resources.

We have balanced our short- and long-term objectives to create a well-defined set of priorities and action plans. For our existing operations, this involves enhancements in utilization, efficiency and reliability of existing generation units and distribution networks. This will assist us in reducing overall costs and improving profit margins. We also place strong emphasis on the timely completion of new facilities within their respective budgetary frameworks, optimizing capital costs, and strengthening internal reporting systems and procedures. We are also focusing additional resources on sustainable growth in the areas of renewable energy. With the assistance of GDF SUEZ, we will continue developing a highly motivated and competent team of Thai managers and workers to support these efforts.

## 1. Commercial Perspective

From a commercial perspective, we are focused on: (a) growing our core business; (b) proactively managing client relationships; (c) optimizing fuel costs and securing fuel supply; and (d), maintaining and enhancing our local knowledge and relationships.

### *(a) Pursue growth of our core business*

We intend to grow our core business by simultaneously increasing our capacity to meet growing industrial demand for electricity and steam, and by positioning ourselves to compete successfully for opportunities to install new generating capacity in Thailand.

Our new Coal Fired Cogeneration Plant (CFB) with a net capacity of 115 MWeq has been put in operation in last quarter of 2010. Also, we are now constructing: a new gas-fired cogeneration unit, with a net capacity of 382 MWeq and scheduled to begin commercial operation by the end of 2011.

The Ministry of Energy has also awarded us a concession to build and operate a 660 MW coal fired plant under the IPP program. This Plant is under construction and scheduled to begin commercial operations by first quarter of 2012.

In addition to these projects, we are also considering other opportunities to expand our IPP Business in Thailand and Laos. It is also our intention to continue to grow our cogeneration business by seeking new high-value industrial customers while simultaneously growing to meet the demand of existing customers, both in Thailand and South East Asia.

To achieve this, we will focus on maintaining and enhancing our operations, providing reliable and high-quality services to existing customers, meeting all obligations under the EGAT power purchase agreements, and strengthening our institutional relationships within Thailand (including regulators). It is our belief that this will put us in a favorable position to bid for new electricity generation projects in Thailand and neighboring countries in the future.

### *(b) Proactively manage industrial customer relationships*

Our industrial customer base is a key component of our business. The majority of our industrial customers are in the petrochemical industry, which relies upon a stable supply of electricity and steam to avoid start-up costs associated with interruptions that occur during production. Our service reliability sets us apart from our competitors, and has made us the electricity and industrial utility supplier of choice in our markets. In particular, we target steam and high-load electricity customers who value reliability of supply.

We place a high-degree of importance on strengthening relationships with existing customers, not only by providing them with a reliable supply of electricity and industrial utilities, but also by working closely with them to better understand their needs and enhance the provision of services. To do this, we use a variety of customer service based action plans designed to improve customer satisfaction. These action plans help us to understand each customer's respective needs, and improve supply reliability, communication, incident handling and problem solving.

We firmly believe that customer satisfaction is the key to retaining and expanding contracts with existing customers and also acquiring new customers.

### *(c) Optimize our fuel management by reducing fuel cost and ensuring supply availability*

Our business is constantly exposed to fluctuations in the price and availability of fuel (and in particular coal). The nature of our business also requires that we have fuel supply arrangements that ensure a sufficient supply of fuel at all times. We also seek to maintain prudent levels of back-up fuel supplies. Both these factors are critical to our ability to operate.

As such, we commit significant resources to fuel management. We are perpetually seeking opportunities to enhance our coal procurement arrangements to reduce coal and freight costs, which directly affect our profitability. To do this, we will continue to examine our open positions on fuel costs. In line with our ongoing efforts to protect against fuel price fluctuations, we entered into a hedging agreement with coal suppliers in 2009 for part of the coal to be delivered in 2010, a hedging agreement with coal suppliers in 2010 for part of the coal to be delivered in 2011, and may enter into similar hedging arrangements in the future.



*(d) Maintain and enhance local knowledge and relationships*

Our core business is to generate and supply electricity and steam to customers in Thailand, and our business strategies reflect our long-term commitment to the country. In this light, we focus substantial resources on identifying and training key individuals to lead our company into the future. We also place a high priority on strengthening our institutional relationships with EGAT, the government, related government authorities, and regulators.

## **2. Operational Perspective**

From an operational perspective, our focus is on: (a) maintaining and improving reliability and availability of generating units and distribution networks; (b) improving fuel consumption efficiency; (c) reducing operating costs; and (d), effectively managing projects under construction.

*(a) Maintaining and improving reliability and capacity utilization*

Our plant capacity utilization can be improved through capacity enhancement measures as well as reducing the number of unplanned outages and days required for scheduled maintenance. We continually seek to improve our performance in all these areas through various measures, such as condition and performance monitoring, preventive and effective maintenance, and the reduction of forced outages through root cause analysis and enhanced operating procedures.

*(b) Improving fuel consumption efficiency*

As fuel is a major cost item, fuel efficiency is an important driver of our profitability. Our aim is to continually improve operational efficiency by optimizing dispatch, monitoring the performance of critical equipment and work processes, as well as energy loss monitoring and mitigation.

*(c) Reduce operational costs*

It is our aim to minimize operational and maintenance costs without compromising plant reliability or contractual obligations to supply customers. We do this by ensuring the manner and timing at which costs are incurred is transparent and by exercising good judgment with respect to the need for those expenses. We use reliable systems and cost management procedures to ensure prudent cost management.

Since 2010 we have entered into long-term parts agreements with the original equipment manufacturers for the supply of gas turbine parts and reconditioning services to Glow IPP and Glow SPP 1 for the next three major inspection of each generating unit (approximately 8 - 9 years), which helps to reduce costs. In addition we have also obtained commitment from the original equipment manufacturer of the gas turbine of Glow Energy Phase 5 to supply both gas turbine parts and inspection services for approximately next nine years. Our relationship with, and technical support from, GDF SUEZ and the increase in the number of gas turbine units owned within the group enables us to negotiate more effectively with suppliers and to source equipment and parts on competitive terms.

*(d) Execute projects effectively*

We are, on an ongoing basis, either constructing new power plants to serve new customers' demand, implementing projects to enhance performance, and/or constructing new distribution lines to our customers. A dedicated team of employees handles these projects in an organized and prudent manner to avoid delay, poor performance and the financial consequences thereof.

## **3. Financial Perspective**

*Maintain and improve our financial position*

Our focus on excellence also includes financial management. We actively evaluate opportunities to minimize the weighted average cost of capital by optimizing our capital structure while reducing our exposure to financial risks. We seek to mitigate foreign exchange risks by matching the currency costs and debt service payments with the currency, direct or indirect linkage, of free cash flow. We have a prudent but flexible interest rate risk management system that is supported by the expertise of the GDF SUEZ finance departments, which assists us in determining the amount and timing of fixing interest rates. In addition, we also seek to maximize long term shareholder value by actively monitoring our cash balance in conjunction with our capital expenditure plans.

We also seek to improve our management reporting systems and procedures by enhancing the reliability of these systems and perpetually reviewing and documenting the processes involved therein. To do this, we use a proven program of Internal Controls referred to as the INCOME Program, which applies to our company as it is a subsidiary of GDF SUEZ. (Please note that the CODIS, or the “Control Disclosure” program, was renamed the INCOME program, or “Internal Control Management & Efficiency”, in early 2009).

The appropriate implementation of the methodology developed for the INCOME program ensures our Group’s compliance with GDF SUEZ’s, as well as with the French “Loi de Sécurité Financière” (“LSF”) and the related French regulatory authority (AMF)’s recommendations and, from 2008, with European Union regulations, (i.e. the 7<sup>th</sup> and 8<sup>th</sup> European Directives). The aforementioned laws and regulations seek to promote corporate responsibility, increase public disclosure, and improve the quality and transparency of financial reporting and auditing. They also make company executives explicitly responsible for establishing, evaluating, and monitoring the effectiveness of the company’s internal control structure. (Note: Please see the “Internal Control” section for further details on the INCOME Program).

## STRUCTURE OF REVENUES

### Revenues

We derive revenue primarily from sales of electricity to EGAT and sales of electricity, steam and clarified and demineralized water to industrial users in the MIE Area. The following table breaks down our revenues by source for the periods indicated:

	Year Ended December 31,					
	2008		2009		2010	
	(Baht millions)	%	(Baht millions)	%	(Baht millions)	%
<b>Revenues from Sales of Goods and Rendering of Service</b>						
Electricity						
Sales to EGAT by IPP	10,859.5	32.1	11,314.4	31.8	11,709.2	30.9
Sales to EGAT by SPPs	10,337.8	30.5	9,279.0	26.1	8,738.9	23.1
Sales to Industrial Customers	7,954.1	23.5	9,188.4	25.9	10,488.1	27.7
Total	29,151.4	86.1	29,781.7	83.8	30,936.2	81.7
Steam	4,244.7	12.5	4,366.2	12.3	4,373.4	11.5
Processed Water	327.7	1.0	356.1	1.0	347.4	0.9
Total	33,723.8	99.6	34,504.0	97.1	35,657.0	94.1
Other Income	130.2	0.4	1,021.0	2.9	2,221.8	5.9
<b>Total Revenue</b>	<b>33,854.0</b>	<b>100.0</b>	<b>35,525.0</b>	<b>100.0</b>	<b>37,878.8</b>	<b>100.0</b>

## COMPETITIVE STRENGTHS

We believe that our principal competitive strengths are:

### 1. Critical Scale and Reliability of Operations

We believe that we have achieved a critical scale of operations in Thailand. Glow IPP has two electrical generators and our cogeneration facilities have an aggregate of 21 electrical generators which will increase to 23 electrical generators by the end of 2011. Our size is critical to our competitiveness, as our cogeneration facilities are interconnected to provide a reliable supply of electricity and steam to our industrial customers. Our steam network is of a size that ensures a substantial reduction in the risk of supply interruption and pressure loss in the event that any one unit fails.



The interconnection of our facilities provides us with a number of advantages: it enables us to dispatch our lowest-cost generating units and improve the reliability of our electricity and steam supply to customers; it allows us greater flexibility to coordinate and rotate maintenance schedules; and ensures our customers greater flexibility when scheduling maintenance outages and in supplying peak start-up demand. Overall, these factors have together allowed our cogeneration facilities to maintain high reliability rates and reduce operating costs.

It is our assertion that our competitors cannot replicate the scale of our cogeneration operations in the near term, limiting their opportunities to grow and giving us a distinct competitive advantage. The scale of our operations also allows us to capitalize on synergies between our various businesses, including but not limited to: the presence of system redundancies that limit the risk of system of failure; the presence of economies of scale that improve profitability; more efficient spare parts management; improved operational expertise; large-scale system automation; highly qualified, trained, and experienced personnel able to carry out tasks and procedures more effectively; and leverage with regard to suppliers.

Our size and long-term presence in the marketplace also allows us to attract a highly motivated and competent workforce that gives us key market know-how and credibility as a serious player in the Thai energy industry. We operate IPP and cogeneration facilities-most of which operate as SPPs under Thailand's SPP program-, giving us a major presence in two distinct sectors of the Thai electricity supply market.

Our business "footprint" in Thailand is diverse, which allows us to attract high-value commercial customers while simultaneously sustaining and increasing cooperation with public sector customers in Thailand. Additionally, our full or near-full ownership and sole operational control of our key assets enables us to control strategic business decisions and react quickly and in a coordinated manner to market developments. We are confident that these factors place us firmly in a position to acquire new business in the future.

## **2. Strategic location and assets**

In addition to a critical scale of operations, the location and concentration of our assets also provides us with a key competitive advantage. We are the principal private electricity supplier in the MIE, which is the largest and most important industrial estate for petrochemical companies operating in Thailand, and one of the largest industrial utilities suppliers in the MIE Area.

We operate a centralized utility park that enables us to apply strategic resources in a focused manner reflected in operational strengths. Our presence in the MIE Area provides us with an established business presence in a key commercial area of Thailand. This has generated a number of significant opportunities to develop important business relationships with some of Thailand's largest companies.

Our facilities are located centrally within the MIE and are surrounded by several key petrochemical producers. We have a supply infrastructure that connects our facilities to clients via an underground electrical network as well as an above-ground steam pipe network.

Our assets are also diversified. We operate both gas-and coal-fired generating units; sell to industrial customers as well as to EGAT; sell material amounts of both electricity and steam; and operate IPP, SPP and non- SPP cogeneration facilities. Together, this diversified portfolio of products, customers and plants ensures our long-term competitiveness as a major player in the Thai energy supply market.

## **3. Established track record as a reliable supplier focusing on customer satisfaction**

Having operated in Thailand since 1993, we have an established reputation as a reliable provider of electricity and steam. Reliability of supply is particularly important to our industrial customers in the petrochemical industry. As such, we focus on developing and constantly improving our supply reliability to differentiate ourselves from our competitors. For example, our generating park in the MIE Area is centralized and interconnected. We also have a dedicated transmission network. Our reliability of supply to industrial customers is further enhanced through the implementation of critical redundancies and underground cabling for electricity customers.

We also pride ourselves on providing a high level of customer service to clients, as we see customer satisfaction as a key driver to retaining and increasing business with existing clients, as well as acquiring new clients. We believe our track record of solid performance, particularly with industrial customers in the MIE Area, has strengthened our reputation.

That our core business is the generation and supply of electricity and steam helps differentiate us from our competitors, many of whom have a broader scale of operations and lack our specialization. This allows us to focus management resources on business development and operational excellence in a manner that our competitors cannot, while simultaneously capitalizing on support from GDF SUEZ, which is also principally engaged in the supply and production of electricity and industrial utilities.

#### **4. Relationship with GDF SUEZ**

As a subsidiary of GDF SUEZ, a worldwide group whose expertise spans most major areas of the global electricity and gas industries, we have access to their critical experience and technical know-how. This allows us to capitalize on, and benefit from, group-wide relationships.

We have formalized certain aspects of this relationship in a Support Service Agreement that Glow Group signed with a wholly-owned subsidiary of GDF SUEZ which, among other benefits, provides us with access to control, operational and project consulting support from GDF SUEZ. We have also signed a separate agreement with GDF SUEZ in which it has agreed not to compete directly with us in Thailand's electricity generation sector.

As GDF SUEZ's sole vehicle for investment in the electricity generation business in Thailand, we believe that we will continue to benefit from this relationship going forward, under the terms of these agreements and otherwise.

#### **5. Stability of revenues and cash flows**

Most of our electricity and steam sales are made under long-term sales contracts with durations of approximately 15 years for industrial customers, and between 21 to 25 years for sales to EGAT. Some of our current contracts with industrial customers will expire between 2012 and 2014, while the EGAT power purchase agreements expire between 2016 and 2025 for SPPs and in 2028 for Glow IPP. This provides our business, as a whole, an element of stability and predictability that affords us some level of insulation from competition. In addition and as previously noted, most of our industrial customers are in the petrochemical industry and, due to the nature of petrochemical production processes, have relatively high load factors and stable levels of demand.





Products and  
Production Facilities

## Products and Production Facilities

Our core business is the generation and supply of electricity to EGAT and the generation and supply of electricity and steam, with clarified and demineralized water as secondary products, to industrial customers within the MIE Area and nearby industrial estates.

### 1. Products

#### (a) Electricity

We produce electricity for sale to EGAT and to industrial customers. Electricity sold to EGAT, Thailand's single wholesale buyer of electricity, is routed into EGAT's national transmission system. EGAT sells this electricity to both the Provincial Electricity Authorities and Municipal Electricity Authorities (the "PEA" and "MEA"), which distribute it through their respective distribution networks to end users throughout Thailand.

We also own and operate an interconnected system of supply sources and transmission lines. The various companies within our legal group have entered into contracts to sell electricity to industrial customers in the MIE Area. Although the contracts of Glow Energy, Glow SPP 2 and Glow SPP 3 are principally with industrial customers in the MIE, each company also has additional industrial customers in the MIE Area. Glow SPP 1 sells to industrial customers in Thailand's Eastern Industrial Estate. All electricity is supplied to customers through dedicated transmission lines. Our industrial customers use this electricity for a variety of industrial purposes, the majority of which relate to petrochemical and petrochemical-related manufacturing and production processes.

#### (b) Steam

We also supply steam to industrial customers in the MIE Area. Glow Energy, Glow SPP 2 and Glow SPP 3 sell primarily to industrial customers in the MIE and AIE, whereas Glow SPP 1 sells to industrial customers in the EIE. Steam is sold to our customers at varying pressure levels and used for a multitude of industrial purposes. Due to the inherent limitations of transporting steam over long distances, most of our steam customers are located within four kilometres of steam generating facilities.

#### (c) Processed water

We also sell clarified and demineralized water to industrial users in the MIE Area. Although this is not one of our group's core businesses, it is complementary to our electricity and steam generation businesses. As such, we initially entered into the business to generate water for our own production purposes. We do, however, sell excess processed water to industrial customers.

### 2. Production facilities

Our new 115 MWeq coal fired circulating fluidized bed boiler power plant ("Glow Energy CFB 3") has been in commercial operations since 1 November 2010. The following table lists our production facilities key capacity statistics as of December 31, 2010:

**Production Capacity**

Plant Name	Location	Electricity (MW)	Steam (tons/hr)	Processed Water (cu.m./hr)		Power Plant Commercial Operation Date
				Clarified	Demin	
<b>Production Facilities</b>						
Glow IPP	CIE	713	-	-	-	Jan. 2003
Houay Ho Power Plant	Laos	152	-	-	-	Sep. 1999
Glow Energy Phase 1	MIE	-	250	1,110	230	Jul. 1994
Glow Energy Phase 2	MIE	281	300	900	280	Apr. 1996
Glow Energy Phase 4	MIE	77	137	1,500	550	Jan. 2005
Glow Energy CFB 3	MIE	85	79	-	-	Nov. 2010
Glow SPP 1	EIE	124	90	-	190	Feb. 1998
Glow SPP 2 / Glow SPP 3	MIE	513	190	-	150	Mar. 1999
<b>Total</b>		<b>1,945</b>	<b>1,046</b>	<b>3,510</b>	<b>1,400</b>	

Source: Glow Energy.

Note: (a) The COD of the aforementioned processed water treatment plants may not be the same as power plant COD.



Although separate legal entities within our corporate group own these plants, they are centrally managed through a single, coordinated management structure. This allows us to more effectively monitor and coordinate operation of our facilities and implement policies on a group-wide basis.

*(a) Glow IPP plant*

The Glow IPP plant is a natural gas-fired combined cycle plant that began commercial operation in January 2003. The plant, which generates and sells electricity to EGAT, operates as an independent power producer under Thailand's IPP program. As of December 31, 2010, the plant had an electrical generating capacity of 713 MW.

*(b) Houay Ho Power plant*

The Houay Ho Power plant is a hydro-power plant that began commercial operation in September 1999. The plant is located in Attapeu province, southern part of the Lao People's Democratic Republic. It has a net electrical generating capacity of 152 MW. The plant, which generates and sells electricity of 126 MW to EGAT and 2 MW to EDL, operates as an independent power producer under Thailand's IPP program.

*(c) Glow Energy Phase 1 plant*

The Glow Energy Phase 1 plant, which began commercial operation in July 1994 and is located in the MIE, consists of a natural gas-fired "D" type boiler for steam generation and a water production plant. The plant is capable of generating 250 tons per hour of steam, 1,110 cubic meters per hour of clarified water, and 230 cubic meters per hour of demineralized water. Because this facility uses relatively inefficient boilers for steam generation, we do not enter into long-term steam supply contracts with respect to this facility. Instead, it is used primarily to satisfy short-term and start-up demand, provide excess capacity, and to strengthen our overall system reliability. The processed water generated by this facility is sold to industrial customers in the MIE.

*(d) Glow Energy Phase 2 plant*

The Glow Energy Phase 2 plant located in the MIE is a combined cycle natural gas-fired cogeneration plant that began commercial operation in April 1996. As of December 31, 2010, the plant had an electrical generating capacity of 281 MW and a steam generating capacity of 300 tons per hour. Electricity generated by this plant is sold both to EGAT and to industrial customers in the MIE. Steam is sold to industrial customers in the MIE. The Glow Energy Phase 2 plant is also equipped with water treatment facilities capable of producing 900 cubic meters per hour of clarified water and 280 cubic meters per hour of demineralized water, which are either consumed by the Glow Energy Phase 1 plant and/or sold to industrial customers in the MIE and nearby industrial estates.

*(e) Glow Energy Phase 4 plant*

The Glow Energy Phase 4 plant is a natural gas-fired cogeneration plant located in the MIE that began commercial operation in January 2005. The Glow Energy Phase 4 Plant has increased its clarified and demineralized water plant capacities since 2010 to serve additional demand in the area of MIE. As of December 31, 2010 the plant had an electrical generating capacity of 77 MW, steam generating capacity of 137 tons per hour, clarified water generating capacity of 1,500 cubic meters per hour, and demineralized water generating capacity of 550 cubic meters per hour. Electricity, steam and processed water from the plant are sold to industrial customers in the MIE and nearby industrial estates.

*(f) Glow Energy CFB 3 plant*

The Glow Energy CFB 3 plant, which began commercial operation in November 2010, is located adjacent to the Glow SPP 3 plant in the MIE. The plant consists of coal-fired circulating fluidized bed boiler and steam turbine. The plant was designed for an electrical generating capacity of 85 MW at a steam generating capacity of 79 tons per hour or an 115 MWeq electrical generating capacity without steam extraction. Electricity and/or steam generated by the Glow Energy CFB 3 plant are distributed to the current electricity and steam networks for our industrial customers in the MIE Area.

*(g) Glow SPP 1 plant*

The Glow SPP 1 plant is a natural gas-fired combined cycle cogeneration facility. The plant is located in the EIE and began commercial operation in February 1998. As of December 31, 2010 it had an electrical generating capacity of 124 MW, a steam generating capacity of 90 tons per hour and a demineralized water production capacity of 70 cubic meters per

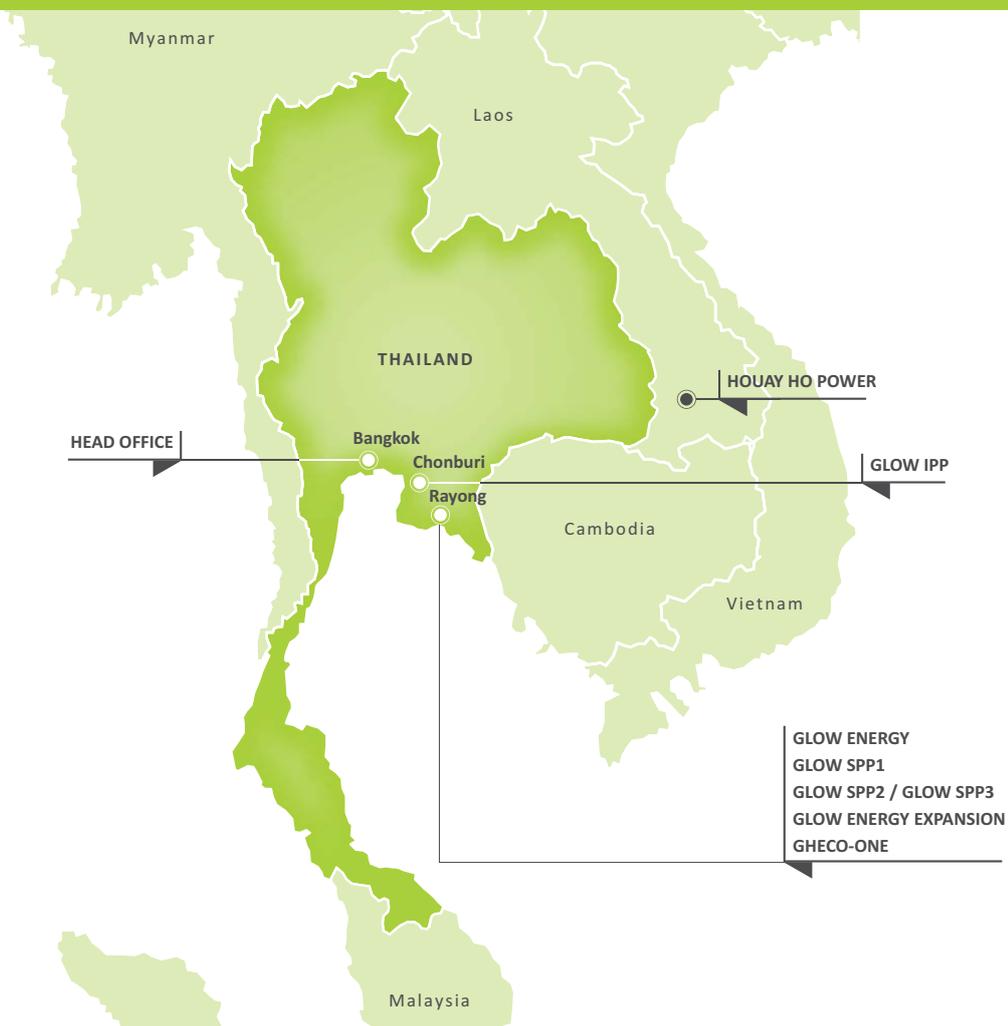
hour. Electricity generated by the Glow SPP 1 plant is sold to EGAT, as well as industrial customers in the EIE. Steam produced at the plant is sold to industrial customers in the EIE. The Glow Demineralized Water plant is owned by Glow SPP 1 Company Limited and is located within the vicinity of the Glow SPP 1 plant in the EIE. It began commercial operation in November 1999 and is capable of producing a total of 120 cubic meters per hour of demineralized water. We sell processed water produced by the Glow Demineralized Water plant and Glow SPP 1 plant to industrial users in the EIE.

*(h) Glow SPP 2 / Glow SPP 3 plant*

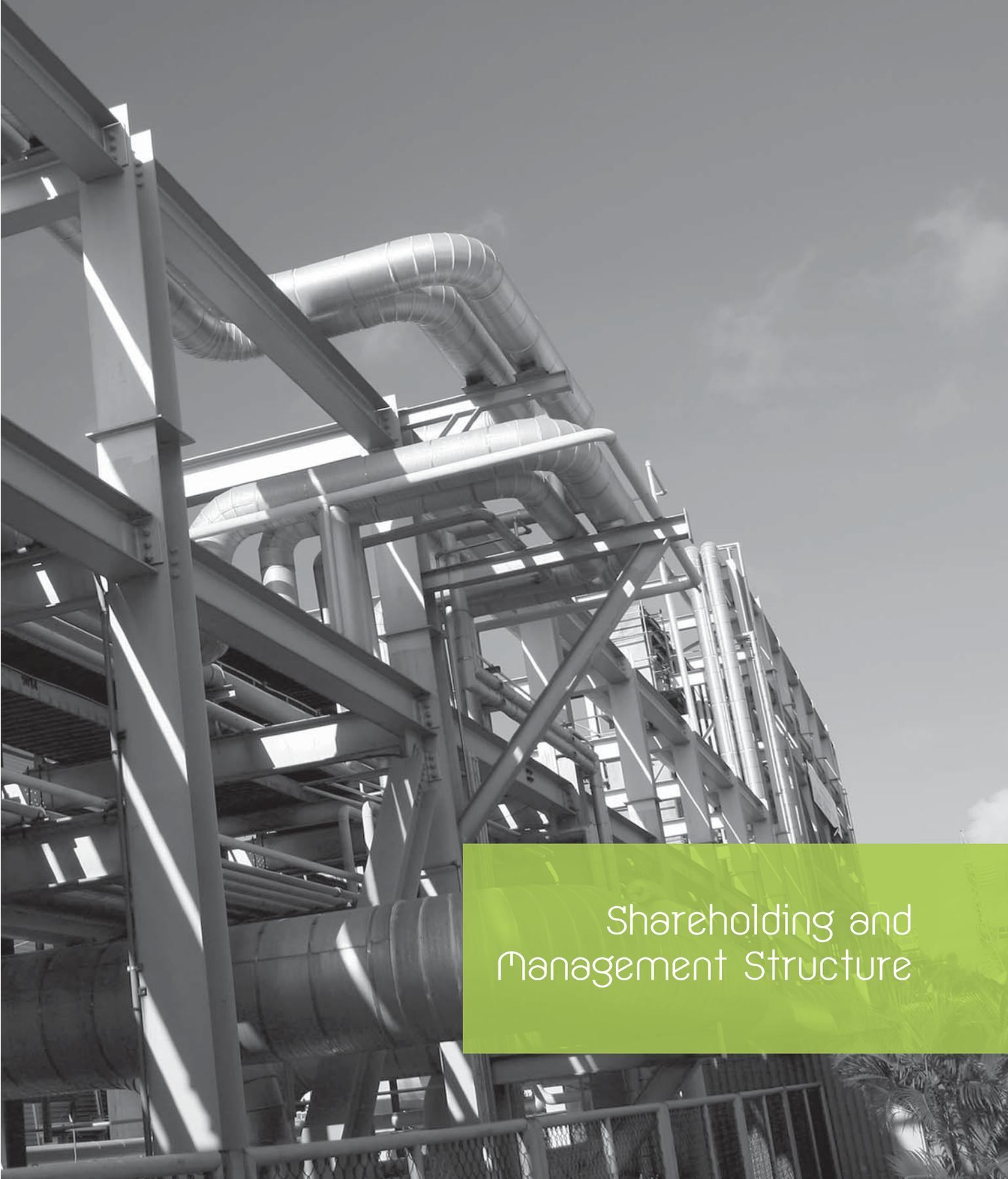
The Glow SPP 2 / Glow SPP 3 plant is a hybrid natural gas and coal-fired cogeneration facility located in the MIE that began commercial operation in March 1999. Although we manage the plant as a single generation facility, Glow SPP 2 owns the gas-fired generation portion of the facility and Glow SPP 3 owns the coal-fired portion.

The plant is divided in two parts: (i) two 35 MW gas-fired gas turbines and two heat recovery units; and (ii), two 222 MW hybrid cogeneration units, each comprising a steam turbine and coal-fired circulating fluidized bed boiler. As of December 31, 2010 the Glow SPP 2 / Glow SPP 3 plant had an electrical generating capacity of 513 MW, a steam generating capacity of 190 tons per hour and a demineralized water production capacity of 150 cubic meters per hour. Electricity generated by the Glow SPP 2 / Glow SPP 3 plant is sold to EGAT and industrial customers in the MIE Area. The plant's steam and processed water are sold to industrial customers in the MIE and nearby industrial estates.

THE MAP BELOW INDICATES THE LOCATIONS OF OUR HEAD OFFICE AND OUR PRODUCTION FACILITIES



HEAD OFFICE AND PLANT LOCATIONS



Shareholding and Management Structure

# Shareholding and Management Structure

## SHAREHOLDERS

The following table sets out our major shareholders as of March 21, 2011.

Major shareholders	# Shares	Percent
1. GDF SUEZ-Energy (Thailand) Co., Ltd.	645,259,773	44.11
2. GDF SUEZ Energy Asia Turkey & Southern Africa B.V.	365,716,260	25.00
3. HSBC (Singapore) Nominees Pte. Ltd.	43,492,300	2.97
4. Social Security Office (2 KorRaNee)	41,733,400	2.85
5. Nortrust Nominees LTD.	41,560,767	2.84
6. Thai NVDR Co., Ltd.	28,170,832	1.93
7. State Street Bank and Trust company for London	22,129,346	1.51
8. Chase Nominees Limited 15	14,163,600	0.97
9. American International Assurance Company, Limited-APEX	11,000,000	0.75
10. Littledown Nominees Limited 7	10,680,023	0.73
11. NORBAX INC., 13	10,114,700	0.69
12. Chase Nominees Limited 32	9,987,864	0.68
13. State Street Bank and Trust Company	9,012,941	0.62
14. Boon Rawd Brewery Co., Ltd.	8,000,000	0.55
15. Others	201,843,229	13.80
	<b>1,462,865,035</b>	<b>100.00</b>

**Note:** GDF SUEZ Energy Asia Turkey and Southern Africa B.V. and GDF SUEZ – Energy (Thailand) Co., Ltd. are wholly owned subsidiaries of GDF SUEZ S.A.

## DIVIDEND POLICY

Glow Energy's board of directors' decisions to declare dividends are, (in the case of annual dividends being available), subject to the approval of shareholders at each year's annual general meeting. Declarations of interim dividends, however, do not require shareholder approval.

Our board of directors' current policy with regard to annual dividends is to recommend to shareholders that dividends be distributed in an amount not less than 50 percent of our net income for each year. This amount is normalized by excluding unrealized foreign exchange gains/losses and deducting all specified reserves, and is subject to our investment plans and other considerations deemed appropriate by the board.

The Public Company Limited Act ("PLCA"), requires dividends to be distributed from our net income. It prohibits dividend payments if our retained earnings are negative, even when a positive annual net income is recorded. The PLCA also requires that we set aside a legal reserve equal to 5 percent of our annual net income until our total legal reserve is equal to at least 10 percent of our total registered capital. This can reduce the amount of net income available for dividend payments.

As of December 31, 2010, our registered capital was Baht 14,828.7 million and our legal reserve was Baht 1,598.3 million. Our total unappropriated retained earnings (company only) as of December 31, 2010 were Baht 5,219.1 million.



At present, HHPC is our only subsidiary with a specific policy for dividend distribution. The policy requires HHPC to pay a certain amount, per rate as agreed among shareholders of HHPC, of in appropriated retained earnings as a dividend semi-annually, provided that certain conditions of the financing and shareholders agreements are met.

The Board of Directors of our other Subsidiaries must submit dividend proposals to shareholders for approval before distributing dividends.

## BOARD OF DIRECTOR

Name	Position
1. Mr. Guy Richelle	Chairman of the Board
2. Mr. Esa Heiskanen	Director, Vice Chairman of the Board of Director and Chief Executive Officer
3. Mr. Kovit Poshyananda	Independent Director and Chairman of Audit Committee
4. Mr. Vitthaya Vejajiva	Independent Director and Audit Committee
5. Mrs. Supapun Ruttanaporn	Independent Director and Audit Committee
6. Mrs. Anchalee Chavanich <sup>(1)</sup>	Independent Director
7. Mrs. Dirk Achiel Marc Beeuwsaert	Director
8. Mr. Guido Geeraerts	Director
9. Mr. Johan De Saeger	Director
10. Mr. Michel J.G. Gantois	Director
11. Mr. Jan E.C.A. Sterck <sup>(2)</sup>	Director
12. Mr. Anut Chatikavanij	Director
13. Mr. Brendan G.H. Wauters	Director

Mr. Natthapatt Tanboon-ek is the Company secretary.

**Note:** <sup>(1)</sup> Appointed to be Independent Director since 26 April 2010.

<sup>(2)</sup> Resigned from member of the Board of Director since 26 April 2010.

### Authorized Directors

Any two of the eight directors listed below are authorized to jointly sign company documents, which must also be affixed with the Company's seal.

Mr. Anut Chatikavanij, Mr. Dirk Achiel Marc Beeuwsaert, Mr. Guido Geeraerts, Mr. Esa Heiskanen, Mr. Brendan G.H. Wauters, Mr. Johan De Saeger, Mr. Guy Richelle, and Mr. Michel J.G. Gantois.

### Scope of Authority and Responsibilities of the Board of Directors

- The Board of Directors (the "Board") must perform its duties in accordance with Glow's (the "Company") laws, objectives and Articles of Association as well shareholders' meeting resolutions. The Board may empower one or more directors or any person to act on its behalf.
- The Board has the power to make decisions and oversee the operations of the Company, except in the following circumstances, which also require shareholder approval:
  - Any activity specified in the Company's laws and/or articles of association as requiring shareholder approval;
  - Any undertaking or related transaction specified in the Stock Exchange of Thailand's regulations as requiring shareholder approval;
  - Any acquisition and/or disposal of assets specified in the Stock Exchange of Thailand's regulations as requiring shareholder approval.
- The Board has the authority to declare payment of interim dividends from time to time if it deems that the Company's profit is sufficient.

## DETAILS OF THE BOARD OF DIRECTORS

### 1. Mr. Guy Richelle (55)

<b>Education</b>	: Master Degree in Nuclear Engineering, University Liege in Belgium : Master Degree in Business Administration, University of Louvain-la-Neuve in Belgium
<b>Shareholding Proportion</b>	: None
<b>Family Relation with Management</b>	: None
<b>5 years past experience</b>	: <b>Present</b> <ul style="list-style-type: none"> <li>- Chairman of the Board and Director / Glow Energy Public Co., Ltd.</li> <li>- Chairman of the Board and Director / Glow Group (Except Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> <li>- Chairman of the Board and Director, Regional Manager / President &amp; CEO / GDF SUEZ Energy Asia Co., Ltd.</li> <li>- Chairman of the Board and Director / GDF SUEZ Energy (Thailand) Co., Ltd.</li> <li>- Director / PTT Natural Gas Distribution Co., Ltd. (PTT NGD)</li> <li>- Director / Tractebel Pacific Limited (Hong Kong)</li> <li>- Director / SUEZ-Tractebel S.A. (Dubai Branch)</li> <li>- Director / Bellair Trading 14 Pty Ltd. (South Africa)</li> <li>- Director / AVON Peaking Power Pty Ltd. (South Africa)</li> <li>- Director / Dedisa Peaking Power Pty Ltd. (South Africa)</li> <li>- Director / Baymina Enerji AS (Turkey)</li> <li>- Director / GDF SUEZ Energy India Private Limited (India)</li> <li>- Director / Jubail Water &amp; Power Company (Saudi Arabia)</li> <li>- Alternate Director / Senoko Power Limited (Singapore)</li> <li>- Alternate Director / Senoko Service Pte. Ltd. (Singapore)</li> <li>- Alternate Director / Senoko Gas Supply Pte. Ltd. (Singapore)</li> <li>- Alternate Director / Senoko Energy Supply Pte. Ltd. (Singapore)</li> <li>- Alternate Director / Lion Power Holding Pte. Ltd. (Singapore) (Rename to Senoko Energy Pte. Ltd.)</li> </ul>

### 2. Mr. Esa Heiskanen (44)

<b>Education</b>	: Master Degree in Science (Mechanical Engineering), Helsinki University of Technology, Finland
<b>Shareholding Proportion</b>	: None
<b>Family Relation with Management</b>	: None
<b>5 years past experience</b>	: <b>Present</b> <ul style="list-style-type: none"> <li>- Director, Chief Executive Officer and Vice Chairman of the Board of Director / Glow Energy Public Co., Ltd.</li> <li>- Director and Chief Executive Officer / Glow Group (Except Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> <li>- Chairman of the Board and Director / Houay Ho Power Co., Ltd.</li> <li>- Director and Vice Chairman of the Board of Director / Houay Ho Thai Co., Ltd.</li> </ul> : <b>2004 - 2008</b> <ul style="list-style-type: none"> <li>- Executive Vice President and Chief Project Development &amp; IPP Business / Glow Energy Public Co., Ltd.</li> <li>- Executive Vice President and Chief Project Development &amp; IPP Business / Glow Group</li> </ul>



### 3. Mr. Kovit Poshyananda (75)

<b>Education</b>	<ul style="list-style-type: none"> <li>: Honorary Doctorate (Economics), Chulalongkorn University</li> <li>: National Defense College</li> <li>: M.A., Ph.D. from Cornell University</li> <li>: B.A. (Honors) from Cambridge University</li> </ul>
<b>Shareholding Proportion</b>	: None
<b>Family Relation with Management</b>	: None
<b>5 years past experience</b>	<ul style="list-style-type: none"> <li>: <b>Present</b> <ul style="list-style-type: none"> <li>- Independent Director and Chairman of Audit Committee / Glow Energy Public Co., Ltd.</li> <li>- Independent Director / Glow Group (Except Glow IPP 3 Co., Ltd., GHECO-One Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> <li>- Chairman of the Board of Director / Sansiri Public Co., Ltd.</li> <li>- Director and Chairman of the Audit Committee / Furukawa Metal (Thailand) Co., Ltd.</li> <li>- Director and Chairman of the Audit Committee / Shangri-La Hotel Public Co., Ltd.</li> <li>- Director / Bangkok Bank Public Co., Ltd.</li> <li>- Director / Office of the Council of State</li> <li>- Chairman of the Appellate Committee / Thai Securities and Exchange Commission (SEC)</li> </ul> </li> </ul>

### 4. Mr. Vitthaya Vejjajiva (74)

<b>Education</b>	<ul style="list-style-type: none"> <li>: Master Degree of Laws, Harvard University, USA</li> <li>: Bachelor Degree of Laws, Gray's - Inn, England</li> <li>: Role of Chairman Program Class 2/2001, Thai Institute of Directors Association (IOD)</li> </ul>
<b>Shareholding Proportion</b>	: None
<b>Family Relation with Management</b>	: None
<b>5 years past experience</b>	<ul style="list-style-type: none"> <li>: <b>Present</b> <ul style="list-style-type: none"> <li>- Independent Director and Audit Committee / Glow Energy Public Co., Ltd.</li> <li>- Independent Director / Glow Group (Except Glow IPP 3 Co., Ltd., GHECO-One Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> <li>- President / National Committee United World Colleges</li> <li>- President / K-Line (Thailand) Co., Ltd.</li> <li>- President / Kawasaki-Dowa Company Limited</li> </ul> </li> </ul>

### 5. Mrs. Supapun Ruttanaporn (66)

<b>Education</b>	<ul style="list-style-type: none"> <li>: MBA (Accounting), Michigan State University, USA</li> <li>: Bachelor of Accounting (Second Honor), Chulalongkorn University</li> <li>: Certificate in Director Certification Program (DCP), Class 15/2002, Thai Institute of Directors Association (IOD)</li> </ul>
<b>Shareholding Proportion</b>	: None
<b>Family Relation with Management</b>	: None

<b>5 years past experience</b>	<p><b>: Present</b></p> <ul style="list-style-type: none"> <li>- Independent Director and Audit Committee / Glow Energy Public Co., Ltd.</li> <li>- Independent Director / Glow Group (Except Glow IPP 3 Co., Ltd., GHECO-One Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> <li>- Independent Director and Chairperson of the Audit Committee / Delta Electronics (Thailand) Public Co., Ltd.</li> </ul> <p><b>: Past</b></p> <ul style="list-style-type: none"> <li>- Member of the Ethic Committee / Federation of Accounting Profession</li> <li>- Chairperson / Thai Accounting Association</li> <li>- Member of Department of Accountancy Committee / Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>- Independent Director &amp; Audit Committee / Chiang Mai Frozen Food Public Co., Ltd.</li> <li>- Member of the subcommittee on the Automatic Adjustment Mechanism Monitoring / National Energy Policy Office of Thailand</li> <li>- Member of the Accounting and Finance Specialist Committee / Office of Civil Service Commission</li> </ul>
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## 6. Mr. Dirk Achiel Marc Beeuwsaert (62)

<b>Education</b>	<p>: General Management Programme Cedep, Fontainebleau</p> <p>: Bachelor Degree in Electrical and Mechanical Engineering, University of Ghent</p>
<b>Shareholding Proportion</b>	: None
<b>Family Relation with Management</b>	: None
<b>5 years past experience</b>	<p><b>: Present</b></p> <ul style="list-style-type: none"> <li>- Director / Glow Energy Public Co., Ltd.</li> <li>- Director / Glow Group (Except Glow IPP 3 Co., Ltd., GHECO-One Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> <li>- Executive Vice President GDF SUEZ in charge of Energy Europe &amp; International / GDF SUEZ Energy Europe &amp; International</li> <li>- Chairman / International Power Plc.</li> <li>- Director / Tractebel Energia (Brazil)</li> <li>- Director / GDF SUEZ Energy North America (USA)</li> <li>- Chief Executive Officer / SUEZ-Tractebel S.A.</li> <li>- Director / Electrabel S.A.</li> </ul>

## 7. Mrs. Anchalee Chavanich (60)

<b>Education</b>	<p>: Master M.S. (Engineering Management), University of Missouri-Rolla, USA</p> <p>: Bachelor Degree in Engineering (Industrial), Chulalongkorn University</p>
<b>Shareholding Proportion</b>	: None
<b>Family Relation with Management</b>	: None
<b>5 years past experience</b>	<p><b>: Present</b></p> <ul style="list-style-type: none"> <li>- Independent Director / Glow Energy Public Co., Ltd.</li> <li>- Independent Director / Glow Group (Except Glow IPP 3 Co., Ltd., GHECO-One Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> </ul>



- Executive Advisor (Level 13) / Industrial Estate Authority of Thailand
  - University Board of Trustee Member / Eastern Asia University
  - Senate Committee Nuclear / The Senate, Kingdom of Thailand
  - Advisor (Industry) / Thai Federation of Thai Industries
  - Advisor Vocational Chemical Engineering Practice College / Ministry of Education
  - Chairperson / Thai Industrial Estate Foundation
  - Chairperson / Coral & Coastal Conservation Foundation
  - Member, Board of Academic Directors Industrial Engineer / The Engineering Institute of Thailand under H.M. The King's Patronage
- : 2005 - 2006**
- Advisor to the Minister / Ministry of Transport

### 8. Mr. Guido Geeraerts (57)

**Education**

: Master Degree in Organizational Sociology, Gent University

**Shareholding Proportion**

: None

**Family Relation with Management**

: None

**5 years past experience**

**: Present**

- Director / Glow Energy Public Co., Ltd.
- Director / Glow Group (Except Glow IPP 3 Co., Ltd., GHECO-One Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)
- Senior Vice President - Trading and Sales / Electricity and Gas International
- Department of Organizational Studies / Electrabel N.V. (Belgium)
- Department of Organization and Development / Electrabel N.V. (Belgium)
- Director / Tractebel Energy Marketing Inc.
- Director / Tractebel Energy Services Inc.

### 9. Mr. Jan E.C.A. Sterck (51)

**Education**

: Industrial Engineering KIHA (Katholieke Industriële Hoeschool Antwerpen) Antwerp, Belgium

**Shareholding Proportion**

: None

**Family Relation with Management**

: None

**5 years past experience**

**: Nov. 2009 - Apr. 2010**

- Director / Glow Energy Public Co., Ltd.
- Director / Glow Group (Except Glow IPP 3 Co., Ltd., GHECO-One Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)

**: Present**

- Senior Vice President - Generation / GDF SUEZ Branch Energy Europe & International (BEEI)

**: 2006 - 2009**

- Senior Vice President - Generation / GDF SUEZ Energy International (GSEI)

**: 2003 - 2006**

- Project Manager Castelnou (Spain) / SUEZ Energy International - Seconded to Electrabel

### 10. Mr. Anut Chatikavanij (44)

<b>Education</b>	: Bachelor Degree from Lehigh University, Pennsylvania, USA : Certificate in Director Accreditation Program (DAP), Class 38/2005, Thai Institute of Directors Association (IOD)
<b>Shareholding Proportion</b>	: 751,200 shares (0.05%)
<b>Family Relation with Management</b>	: Relative of Mrs. Sriprapha Sumruatruamphol (Management)
<b>5 years past experience</b>	: <b>Present</b> - Director / Glow Energy Public Co., Ltd. - Director / Glow Group (Except GHECO-One Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.) - Director / Wilding Golf Consulting Service Ltd. - Director / Flowrider (Thailand) Co., Ltd. - Director / LiveSmart Co., Ltd.

### 11. Mr. Johan De Saeger (43)

<b>Education</b>	: Master Degree in Business Administration, Cornell University, USA : Commercial Engineering, Catholic University of Leuven, Belgium
<b>Shareholding Proportion</b>	: 17,300 shares (0.00%)
<b>Family Relation with Management</b>	: None
<b>5 years past experience</b>	: <b>Present</b> - Director / Glow Energy Public Co., Ltd. - Director / Glow Group (Except Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.) - Director / GDF SUEZ Energy Asia Co., Ltd. - Director / Avon Peaking Power - Director / Dedisa Peaking Power - Director / GDF SUEZ Energy (Thailand) Co., Ltd. - Director / GDF SUEZ Energy Southern Africa (PTY) Ltd. - Director / Moyeng Energy Co., Ltd. - Executive Vice President - Head of Business Development, Asia and Southern Africa / International Power - GDF SUEZ : <b>2009 - 2010</b> - Executive Vice President - Head of Business Development Middle East, Asia, Africa and Australia / GDF SUEZ Energy : <b>2007 - 2009</b> - Executive Vice President - Head of Business Development, Asia and Southern Africa / International Power - GDF SUEZ : <b>2005 - 2006</b> - Executive Vice President - Country Manager India / SUEZ Energy International



### 12. Mr. Michel J.G. Gantois (43)

<b>Education</b>	: BSc in Finance and MBA, Katholieke Universiteit Leuven
<b>Shareholding Proportion</b>	: None
<b>Family Relation with Management</b>	: None
<b>5 years past experience</b>	: <b>Present</b> <ul style="list-style-type: none"> <li>- Director / Glow Energy Public Co., Ltd.</li> <li>- Director / Glow Group (Except Glow IPP 3 Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> <li>- Regional CFO / GDF SUEZ Middle East, Asia, Africa</li> <li>- Vice President - Finance / Kelson Energy / Electricity Production</li> <li>- Director / Deloitte China / Consulting</li> </ul>

### 13. Mr. Brendan G.H. Wauters (41)

<b>Education</b>	: Master Degree in Business Administration, University of Brussels : Commercial Engineering Degree of University of Brussels (VUB) : Certificate in Director Accreditation Program (DAP), Class 57/ 2006, Thai Institute of Directors Association (IOD)
<b>Shareholding Proportion</b>	: 45,000 shares (0.00%)
<b>Family Relation with Management</b>	: None
<b>5 years past experience</b>	: <b>Present</b> <ul style="list-style-type: none"> <li>- Director / Glow Energy Public Co., Ltd.</li> <li>- Director / Glow Group (Except Glow IPP 3 Co., Ltd., GHECO-One Co., Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> <li>- Director / Senoko Energy Pte. Ltd.</li> <li>- President and Chief Executive Officer / Senoko Energy Pte Ltd.</li> </ul>
	: <b>2009 - 2010</b> <ul style="list-style-type: none"> <li>- Executive Director and Vice President Commercial / Senoko Power Ltd.</li> </ul>
	: <b>2006 - 2008</b> <ul style="list-style-type: none"> <li>- EVP Strategy / GDF SUEZ Energy MEAA</li> </ul>
	: <b>2002 - 2006</b> <ul style="list-style-type: none"> <li>- Chief Financial Officer / Tractebel Asia</li> </ul>

**Remark:** "Glow Group" mentioned in this attachment including

- |                            |                                 |                         |                         |
|----------------------------|---------------------------------|-------------------------|-------------------------|
| 1) Glow Co., Ltd.          | 2) Glow SPP 1 Co., Ltd.         | 3) Glow SPP 2 Co., Ltd. | 4) Glow SPP 3 Co., Ltd. |
| 5) Glow IPP Co., Ltd.      | 6) Glow IPP 2 Holding Co., Ltd. | 7) Glow IPP3 Co., Ltd.  | 8) GHECO-One Co., Ltd.  |
| 9) Houay Ho Thai Co., Ltd. | 10) Houay Ho Power Co., Ltd.    |                         |                         |

## MANAGEMENT TEAM

The Management Team is comprised of 33 individuals:

Name	Position
1. Mr. Esa Heiskanen	Chief Executive Officer
2. Mr. Heikki Pudas	Executive Vice President - Project Development & Business
3. Mrs. Sriprapha Sumruatruamphol	Executive Vice President and Chief Commercial Officer
4. Mr. Pajongwit Pongsivapai	Executive Vice President and Chief Operating Officer
5. Mr. Suthiwong Kongsiri	Executive Vice President and Chief Financial Officer
6. Mr. Kanit Thangpetchr	Senior Vice President - Rayong Facilities Management
7. Mr. Svend Erik Jensen	Senior Vice President - Construction & EPC Management
8. Mr. Louis Stephen Holub	Senior Vice President - Operations Support Services
9. Mr. Wisit Srinuntawong	Senior Vice President - Engineering
10. Mr. Michael W. Reiff	Senior Vice President and Chief Financial Controller
11. Mr. Narongchai Visutrachai	Senior Vice President - Government & Public Affairs
12. Mr. Victorino Masa	General Manager - Houay Ho Power Co., Ltd.
13. Mr. Thanong Tanthongtip	Plant Manager - Houay Ho Power Co., Ltd.
14. Mrs. Chamaiporn Soonthorntasanapong	Vice President - Legal & Insurance
15. Mr. Anutarachai Natalang <sup>(1)</sup>	Vice President - EH&S and Operations Quality Management
16. Ms. Sirichan Chotchaisathit	Vice President - Industrial Sales
17. Mr. Prateep Phuthamrugsa	Vice President - Supply Chain Management
18. Mr. Somchai Klinsuwanmalee	Vice President - Public Relations
19. Mrs. Mantana Kunakorn	Vice President - Human Resources & Administration
20. Mr. Chin Beng Tong	Vice President - Coal & Biomass Management
21. Mr. Apichart Jamjuntr	Plant Manager - Glow SPP 2 / Glow SPP 3, Glow Energy Site (Phase 3 & 4)
22. Mr. Renaud Louis Albert Pilleul	Vice President - Industrial Customer Relations
23. Ms. Suttasinee Pengsupaya	Vice President - Accounting
24. Mr. Chaiwut Rattanapornsinchai	Vice President - Information Technology
25. Mr. Eralp Gullep	Vice President - Business Quality
26. Mr. Rujirote Kasirerk <sup>(2)</sup>	Plant Manager - Glow Energy Site (Phase 1 & 2)
27. Mr. Suratchai Bangluang	Facility Manager - Glow IPP
28. Mr. Apidech Siriphornoppakhun	Plant Manager - Glow SPP 1
29. Mrs. Unchana Kittipiyakul	Vice President - Budgeting & Business Controlling
30. Dr. Somgiat Dekrajangpetch	Vice President - Asset Optimization
31. Mr. Gert Meersman	Vice President - Project Development
32. Mr. Akarin Prathuangsit	Vice President - Cogeneration Marketing & Development
33. Mr. Nattaphatt Tanboon-ek	Vice President - Finance & Investor Relations

**Note:** <sup>(1)</sup> Become VP - EH&S and Operations Quality since 1 February 2011

<sup>(2)</sup> Become Plant Manager - Glow Energy site (Phase 1 & 2) since 1 February 2011



## DETAILS OF MANAGEMENT TEAM

### 1. Mr. Esa Heiskanen (44)

<p><b>Education</b></p> <p><b>Shareholding Proportion</b></p> <p><b>Family Relation with Management</b></p> <p><b>5 years past experience</b></p>	<p>: Master Degree in Science (Mechanical Engineering), Helsinki University of Technology, Finland</p> <p>: None</p> <p>: None</p> <p>: <b>Present</b></p> <ul style="list-style-type: none"> <li>- Director, Chief Executive Officer and Vice Chairman of the Board of Director / Glow Energy Public Co., Ltd.</li> <li>- Director and Chief Executive Officer / Glow Group (Except Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)</li> <li>- Chairman of the Board and Director / Houay Ho Power Co., Ltd.</li> <li>- Director and Vice Chairman of the Board of Director / Houay Ho Thai Co., Ltd.</li> </ul> <p>: <b>2004 - 2008</b></p> <ul style="list-style-type: none"> <li>- Executive Vice President and Chief Project Development &amp; IPP Business / Glow Energy Public Co., Ltd.</li> <li>- Executive Vice President and Chief Project Development &amp; IPP Business / Glow Group</li> </ul>
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### 2. Mr. Heikki Pudas (48)

<p><b>Education</b></p> <p><b>Shareholding Proportion</b></p> <p><b>Family Relation with Management</b></p> <p><b>5 years past experience</b></p>	<p>: M.Sc. Engineering (Energy Economic), Technical University of Lappeenranta, Finland</p> <p>: None</p> <p>: None</p> <p>: <b>Present</b></p> <ul style="list-style-type: none"> <li>- Executive Vice President - Project Development and Business / Glow Energy Public Co., Ltd.</li> <li>- Executive Vice President - Project Development and Business / Glow Group</li> </ul> <p>: <b>2008</b></p> <ul style="list-style-type: none"> <li>- Vice President - Project Development / Glow Energy Public Co., Ltd.</li> <li>- Vice President - Project Development / Glow Group</li> </ul> <p>: <b>2006 - 2008</b></p> <ul style="list-style-type: none"> <li>- Director, Innovations and City Marketing / City of Oulu, Finland</li> <li>- Chairman of Board / Oulu Innovation Ltd., Finland</li> </ul> <p>: <b>2005 - 2006</b></p> <ul style="list-style-type: none"> <li>- General Manager, Intersmtion O&amp;M / Fortum Power &amp; Heat Oy, Finland</li> </ul>
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### 3. Mrs. Sriprapha Sumruatruamphol (47)

<p><b>Education</b></p> <p><b>Shareholding Proportion</b></p> <p><b>Family Relation with Management</b></p> <p><b>5 years past experience</b></p>	<p>: Master of Business Administration, Syracuse University, New York, USA</p> <p>: Bachelor Degree in Science (Chemical Engineering), Michigan Technological University, Michigan, USA</p> <p>: 30,000 Shares (0.00%)</p> <p>: Relative of Mr. Anut Chatikavanij (Director)</p> <p>: <b>Present</b></p> <ul style="list-style-type: none"> <li>- Executive Vice President and Chief Commercial Officer / Glow Energy Public Co., Ltd.</li> <li>- Executive Vice President and Chief Commercial Officer / Glow Group</li> <li>- Director / Eastern Fluid Transport Co., Ltd.</li> <li>- Vice Chairman and Director / Association of Private Power Producers</li> </ul>
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#### 4. Mr. Pajongwit Pongsivapai (42)

<b>Education</b>  <b>Shareholding Proportion</b> <b>Family Relation with Management</b> <b>5 years past experience</b>	: Master Degree of Science in Chemical Engineering, Oregon State University, USA : Bachelor Degree in Chemical Engineering, Chulalongkorn University : 20,300 Shares (0.00%) : None : <b>Present</b> - Executive Vice President and Chief Operating Officer / Glow Energy Public Co., Ltd. - Executive Vice President and Chief Operating Officer / Glow Group - Executive Vice President and Chief Operating Officer / Houay Ho Power Co., Ltd. : <b>2006 - 2007</b> - Deputy Chief Operating Officer and Senior Vice President - Operations / Glow Energy Public Co., Ltd. - Deputy Chief Operating Officer and Senior Vice President - Operations / Glow Group
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#### 5. Mr. Suthiwong Kongsiri (40)

<b>Education</b>  <b>Shareholding Proportion</b> <b>Family Relation with Management</b> <b>5 years past experience</b>	: Master Degree in Business Administration, University of North Carolina, Chapel Hill : Bachelor Degree in Finance & Banking, Assumption University, Bangkok : None : None : <b>Present</b> - Executive Vice President and Chief Financial Officer / Glow Energy Public Co., Ltd. - Executive Vice President and Chief Financial Officer / Glow Group - Executive Vice President and Chief Financial Officer / Houay Ho Power Co., Ltd.
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#### 6. Mr. Kanit Thangpetchr (53)

<b>Education</b>  <b>Family Relation with Management</b> <b>5 years past experience</b>	: Master Degree in Business Administration, Pathumthani University : Vuthi Engineer, Electrical : Bachelor Degree in Engineering (Electrical), King Mongkut Institute of Technology (Ladkrabang), Bangkok : None : <b>Present</b> - Senior Vice President - Rayong Facilities Management / Glow Energy Public Co., Ltd. - Senior Vice President - Rayong Facilities Management / Glow Group (Except Glow IPP Co., Ltd.) : <b>2002 - 2006</b> - General Manager of Operations of Rayong Facilities / Glow Group (Except Glow IPP Co., Ltd.)
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### 7. Mr. Svend Erik Jensen (53)

<p><b>Education</b></p>	<p>: Master Degree in Business Administration (MBA), Macquarie Graduate School of Management Sydney, Australia</p> <p>: Bachelor Degree in Mechanical Engineering, Technical University of Denmark</p>
<p><b>Family Relation with Management</b> 5 years past experience</p>	<p>: None</p> <p>: <b>Present</b></p> <ul style="list-style-type: none"> <li>- Senior Vice President - Construction &amp; EPC Management / Glow Energy Public Co., Ltd.</li> <li>- Senior Vice President - Construction &amp; EPC Management / Glow Group</li> </ul>

### 8. Mr. Louis Stephen Holub (49)

<p><b>Education</b></p>	<p>: United States Navy Education Programs, City College of Chicago, Dundalk Community College</p> <p>: American University (Tulane &amp; Arizona State) Degree Accreditation Pending</p>
<p><b>Family Relation with Management</b> 5 years past experience</p>	<p>: None</p> <p>: <b>Present</b></p> <ul style="list-style-type: none"> <li>- Senior Vice President - Operations Support Services / Glow Energy Public Co., Ltd.</li> <li>- Senior Vice President - Operations Support Services / Glow Group</li> </ul> <p>: <b>2006 - 2007</b></p> <ul style="list-style-type: none"> <li>- Senior Vice President - Strategic Initiatives / Glow Energy Public Co., Ltd.</li> <li>- Senior Vice President - Strategic Initiatives / Glow Group</li> </ul> <p>: <b>2002 - 2006</b></p> <ul style="list-style-type: none"> <li>- Vice President - GIPP Facilities Management / Glow IPP Co., Ltd.</li> <li>- Senior Vice President - Rayong Facilities Management / Glow Energy Public Co., Ltd.</li> <li>- Senior Vice President - Rayong Facilities Management / Glow Group</li> </ul>

### 9. Mr. Wisit Srinuntawong (48)

<p><b>Education</b></p>	<p>: Master Degree in Business Administration, Bangkok University</p> <p>: Bachelor Degree in Industrial Electrical Technology, King Mongkut's University of Technology North Bangkok</p>
<p><b>Family Relation with Management</b> 5 years past experience</p>	<p>: None</p> <p>: <b>Present</b></p> <ul style="list-style-type: none"> <li>- Senior Vice President - Engineering / Glow Energy Public Co., Ltd.</li> <li>- Senior Vice President - Engineering / Glow Group</li> </ul>

### 10. Mr. Michael W. Reiff (48)

<p><b>Education</b></p>	<p>: Diploma of Industrial Management, (Master Degree), Industrial Academy Stuttgart, Germany</p>
<p><b>Family Relation with Management</b> 5 years past experience</p>	<p>: None</p> <p>: <b>Present</b></p> <ul style="list-style-type: none"> <li>- Senior Vice President and Chief Financial Controller / Glow Energy Public Co., Ltd.</li> <li>- Senior Vice President and Chief Financial Controller / Glow Group</li> </ul> <p>: <b>2004 - 2006</b></p> <ul style="list-style-type: none"> <li>- Corporate Controller / Johnson Electric, Hong Kong</li> </ul>

### 11. Mr. Narongchai Visutrachai (44)

<b>Education</b>	: Master Degree in Science (Economics), University of North Texas, USA : Master Degree in Business Administration, Kasetsart University : Bachelor Degree in Political Science (Public Administration), Chulalongkorn University
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Senior Vice President - Government & Public Affairs / Glow Energy Public Co., Ltd. - Senior Vice President - Government & Public Affairs / Glow Group

### 12. Mr. Victorino Masa (59)

<b>Education</b>	: Master Degree in Business Administration, University of Manila, Philippines
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - General Manager / Houay Ho Power Co., Ltd. : <b>1998 - 2009</b> - Chief Financial Controller and Loan Management Officer / Houay Ho Power Co., Ltd.

### 13. Mr. Thanong Tanthongtip (55)

<b>Education</b>	: Master Degree in Business Administration, Thammasat University : Bachelor Degree in Electrical Engineering, Khonkaen University
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Plant Manager / Houay Ho Power Co., Ltd. : <b>2003 - 2010</b> - Assistant Managing Director / Promec Energy Co., Ltd.

### 14. Mrs. Chamaiporn Soonthorntasanapong (50)

<b>Education</b>	: Master Degree in Liberal Art (Thai - English Translation), Ramkhamhaeng University : Bachelor Degree in Liberal Arts (English), Thammasat University
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Vice President - Legal & Insurance / Glow Energy Public Co., Ltd. - Vice President - Legal & Insurance / Glow Group

### 15. Mr. Anutarachai Nathalang (47)

<b>Education</b>	: Master of Engineering (Electrical), King Mongkut Institute of Technology (Ladkrabang) : Bachelor of Science (Physics), Chiangmai University
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Vice President - EH&S and Operations Quality / Glow Energy Public Co., Ltd. - Vice President - EH&S and Operations Quality / Glow Group : <b>2006 - 2010</b> - Plant Manager / Glow Energy Site (Phase 1 & 2) : <b>1994 - 2006</b> - Operation Plant Manager / Glow Group



### 16. Ms. Sirichan Chotchaisathit (46)

<b>Education</b>	: Master Degree in Business Administration, Chulalongkorn University : Bachelor Degree in Liberal Arts, Thammasart University
<b>Family Relation with Management 5 years past experience</b>	: None : <b>Present</b> - Vice President - Industrial Sales / Glow Energy Public Co., Ltd. - Vice President - Industrial Sales / Glow Group (Except Glow IPP Co., Ltd., Glow IPP 2 Holding Co., Ltd., Glow IPP 3 Co., Ltd., and GHECO-One Co., Ltd.)

### 17. Mr. Prateep Puthamrugsa (46)

<b>Education</b>	: Master Degree in Public Administration, Pathumthani University : Bachelor Degree in Electrical Engineer, Srinakarinwirot University
<b>Family Relation with Management 5 years past experience</b>	: None : <b>Present</b> - Vice President - Supply Chain Management / Glow Energy Public Co., Ltd. - Vice President - Supply Chain Management / Glow Group (Except Glow IPP 2 Holding Co., Ltd.) : <b>2000 - 2006</b> - Rayong Administration and Supply Chain Manager / Glow Group (Except Glow IPP Co., Ltd.)

### 18. Mr. Somchai Klinsuwanmalee (45)

<b>Education</b>	: Bachelor Degree in Accounting, Chulalongkorn University
<b>Family Relation with Management 5 years past experience</b>	: None : <b>Present</b> - Vice President - Public Relations / Glow Energy Public Co., Ltd. - Vice President - Public Relations / Glow Group : <b>2003 - 2008</b> - Vice President - Government & Public Affairs / Glow Energy Public Co., Ltd. - Vice President - Government & Public Affairs / Glow Group

### 19. Mrs. Mantana Kunakorn (45)

<b>Education</b>	: Bachelor Degree in Liberal Arts (Industrial Psychology), Thammasart University
<b>Family Relation with Management 5 years past experience</b>	: None : <b>Present</b> - Vice President - Human Resources & Administration / Glow Energy Public Co., Ltd. - Vice President - Human Resources & Administration / Glow Group : <b>2002-2007</b> - Assistant Vice President - Human Resources & Administration / Glow Energy Public Co., Ltd. - Assistant Vice President - Human Resources & Administration / Glow Group

### 20. Mr. Chin Beng Tong (45)

<b>Education</b>	: Bachelor Degree in Electrical Engineering, Kansas State University, USA
<b>Family Relation with Management 5 years past experience</b>	: None : <b>Present</b> - Vice President - Coal & Biomass Management / Glow Energy Public Co., Ltd. - Vice President - Coal & Biomass Management / Glow Group

	<p><b>: Past</b></p> <ul style="list-style-type: none"> <li>- Lead, Global Market Intelligence &amp; Sourcing Analyst / Shell Eastern Petroleum (Singapore) Pte. Ltd.</li> <li>- Regional Procurement Manager / Holcim Group Support (S) Pte. Ltd.</li> </ul>
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### 21. Mr. Apichart Jamjuntr (45)

<p><b>Education</b></p>	<p>: Master degree in Master of Business Administration (MBA) Ramkhamhaeng University</p> <p>: Bachelor Degree in Electronic Engineering, Engineering, Rajamangala University of Technology</p>
<p><b>Family Relation with Management</b> 5 years past experience</p>	<p>: None</p> <p><b>: Present</b></p> <ul style="list-style-type: none"> <li>- Plant Manager / Glow SPP 2 / Glow SPP 3 &amp; Glow Energy Site (Phase 3 &amp; 4)</li> </ul> <p><b>: 1995 - 2006</b></p> <ul style="list-style-type: none"> <li>- Operation Manager / Glow SPP 2 / Glow SPP 3 &amp; Glow Energy Site (Phase 3 &amp; 4)</li> </ul>

### 22. Mr. Renaud Louis Albert Pilleul (44)

<p><b>Education</b></p>	<p>: Master Degree in Chemical Engineering (M. Eng.), Institute National Polytechnique de Grenoble, France</p>
<p><b>Family Relation with Management</b> 5 years past experience</p>	<p>: None</p> <p><b>: Present</b></p> <ul style="list-style-type: none"> <li>- Vice President - Industrial Customer Relations / Glow Energy Public Co., Ltd.</li> <li>- Vice President - Industrial Customer Relations / Glow Group</li> </ul>

### 23. Ms. Suttasinee Pengsupaya (43)

<p><b>Education</b></p>	<p>: Master Degree in Science (Accounting), Thammasat University</p> <p>: Bachelor Degree in Accounting, Thammasat University</p>
<p><b>Family Relation with Management</b> 5 years past experience</p>	<p>: None</p> <p><b>: Present</b></p> <ul style="list-style-type: none"> <li>- Vice President - Accounting / Glow Energy Public Co., Ltd.</li> <li>- Vice President - Accounting / Glow Group</li> </ul>

### 24. Mr. Chaiwut Rattanapornsinchai (43)

<p><b>Education</b></p>	<p>: Master Degree in Computer Science, Rangsit University</p> <p>: Bachelor Degree in Computer Science, Chandrakasem Teacher College</p>
<p><b>Family Relation with Management</b> 5 years past experience</p>	<p>: None</p> <p><b>: Present</b></p> <ul style="list-style-type: none"> <li>- Vice President - Information Technology / Glow Energy Public Co., Ltd.</li> <li>- Vice President - Information Technology / Glow Group</li> </ul>

### 25. Mr. Eralp Gullep (43)

<p>Education</p>	<p>: Bachelor Degree of Science in Mechanical Engineering, University of Southwestern Louisiana, USA</p>
<p>Family Relation with Management 5 years past experience</p>	<p>: None</p> <p><b>: Present</b></p> <ul style="list-style-type: none"> <li>- Vice President - Business Quality / Glow Energy Public Co., Ltd.</li> <li>- Vice President - Business Quality / Glow Group</li> </ul> <p><b>: 2004 - 2009</b></p> <ul style="list-style-type: none"> <li>- Associate Director - Performance Improvement / PriceWaterhouseCoopers</li> </ul>



### 26. Mr. Rujirote Kasirerk (42)

<b>Education</b>	: Master Degree in Industrial Management Engineering, King Mongkut's University of Technology North Bangkok
<b>5 years past experience</b>	: Bachelor Degree in Electrical Engineering, Rajamangala University of Technology Lanna (ChiangMai) : <b>Present</b> - Plant Manager / Glow Energy Site (Phase 1 & 2) : <b>1998 - Feb. 2011</b> - Operation Manager / Glow SPP 2 / Glow SPP 3

### 27. Mr. Suratchai Bangluang (42)

<b>Education</b>	: MBA General Management, Ramkhamhaeng University. : Bachelor Degree in Electrical Engineering, Mahanakorn University of Technology
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Facility Manager / Glow IPP Co., Ltd. : <b>2006 - 2007</b> - Plant Manager / Glow SPP 1 Co., Ltd. : <b>2003 - 2006</b> - Maintenance Manager / Glow Energy Public Co., Ltd., Glow SPP 2 Co., Ltd. and Glow SPP 3 Co., Ltd.

### 28. Mr. Apidech Siriphornoppakhun (40)

<b>Education</b>	: Master of Business Administration, Ramkhamhaeng University : Bachelor Degree in Science (Industrial Technology), Rahaphat Institute Chachoengsao, Chachoengsao
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Plant Manager / Glow SPP 1 Co., Ltd. : <b>1997 - 2007</b> - Operation Manager / Glow SPP 1 Co., Ltd.

### 29. Mrs. Unchana Kittipiyakul (39)

<b>Education</b>	: Master Degree in Business Administration, Kasetsart University : Bachelor Degree in Accounting, Thammasart University.
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Vice President - Budgeting & Business Controlling / Glow Energy Public Co., Ltd. - Vice President - Budgeting & Business Controlling / Glow Group : <b>2003 - 2006</b> - Assistant Vice President - Budgeting & Business Controlling / Glow Energy Public Co., Ltd. - Assistant Vice President - Budgeting & Business Controlling / Glow Group

### 30. Dr. Somgiat Dekrajangpetch (37)

<b>Education</b>	: Doctorate Degree in Electrical Engineering (Electrical Power), Iowa State University : Master Degree in Economics, Iowa State University : Master Degree in Electrical Engineering, Iowa State University : Bachelor Degree in Science-Electrical Engineering, Chulalongkorn University
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<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Vice President - Asset Optimization / Glow Energy Public Co., Ltd. - Vice President - Asset Optimization / Glow Group : <b>2003 - 2006</b> - Systems Optimization Manager / Glow Group
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### 31. Mr. Gert Meersman (37)

<b>Education</b>	: Master Degree in Law, King's College London, University of London : Master Degree in Law, Pantheon - Assas, Paris : Master Degree in Law, KU Leuven, Belgium
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Vice President - Project Development / Glow Energy Public Co., Ltd. - Vice President - Project Development / Glow Group : <b>2007 - 2009</b> - Senior Project Advisor / GDF SUEZ Energy Asia Co., Ltd. : <b>2006 - 2007</b> - Senior Legal Counsel / SUEZ-Tractebel SA : <b>2005 - 2006</b> - Legal Counsel / Distrigaz SA

### 32. Mr. Akarin Prathuangsit (35)

<b>Education</b>	: Master Degree in Business Administration, Assumption University : Bachelor Degree in Engineering (Industrial Engineering), Sirindhorn International Institute of Technology, Thammasat University
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Vice President - Cogeneration Marketing & Development / Glow Energy Public Co., Ltd. - Vice President - Cogeneration Marketing & Development / Glow Group : <b>2004 - 2007</b> - Vice President - Marketing and Business Planning / Glow Energy Public Co., Ltd. - Vice President - Marketing and Business Planning / Glow Group

### 33. Mr. Nattaphatt Tanboon-ek (35)

<b>Education</b>	: Master Degree in Finance (Business Administration), University of Baltimore, USA : Bachelor Degree in Engineering, Chulalongkorn University
<b>Family Relation with Management</b> <b>5 years past experience</b>	: None : <b>Present</b> - Vice President - Finance & Investor Relations / Glow Energy Public Co., Ltd. - Vice President - Finance & Investor Relations / Glow Group : <b>Past</b> - General Manager - Business Development / Somboon Advanced Technology PLC. - Vice President - Investment Banking / Trinity Securities Co., Ltd. - Vice President / Trinity Advisory 2001 Co., Ltd.

**Remark:** "Glow Group" mentioned in this attachment including

- |                       |                                 |                         |                         |
|-----------------------|---------------------------------|-------------------------|-------------------------|
| 1) Glow Co., Ltd.     | 2) Glow SPP 1 Co., Ltd.         | 3) Glow SPP 2 Co., Ltd. | 4) Glow SPP 3 Co., Ltd. |
| 5) Glow IPP Co., Ltd. | 6) Glow IPP 2 Holding Co., Ltd. | 7) Glow IPP3 Co., Ltd.  | 8) GHECO-One Co., Ltd.  |



Company name	Subsidiaries										
	Glow Energy PCL	Glow SPP 2 Co., Ltd.	Glow SPP 3 Co., Ltd.	Glow Co., Ltd.	Glow SPP 1 Co., Ltd.	Glow IPP Co., Ltd.	Glow IPP 2 Holding Co., Ltd.	Glow IPP 3 Co., Ltd.	Houay Ho Power Co., Ltd.	Houay Ho Thai Co., Ltd.	GHECO-One Co., Ltd.
44. Mr. Akarin Prathuangsit											
45. Mr. Natthapatt Tanboon-Ek											
46. Mr. David Richard Nardone									/	X	/, ///
47. Mr. Vivat Jiratikarnsakul									/	/	/
48. Ms. Pattama Horrurung										/	/
49. Mr. Miklos Almasz <sup>(8)</sup>											/
50. Mr. Philippe Salmon									/	/	
51. Mr. Yoong Park <sup>(9)</sup>											
52. Mr. Dean Travers <sup>(10)</sup>									/		
53. Mr. Sankaran Subramaniam <sup>(11)</sup>									/		
54. Mr. Bounma Manivong									/		
55. Mr. Savath Phoumlavanh									/		
56. Mr. Sithisone Thephasay									/		

**Remark:** / = Director    x = Chairman of the Board    // = Chief Executive Officer    /// = Vice Chairman of the Board of Director

- Notes:**
1. Become Vice Chairman of the Board of Directors' Meeting of Glow Energy PLC. and Houay Ho Thai Co., Ltd. since 23 February 2009 and 23 March 2010 respectively.
  2. Become Independent Director of Glow Energy PLC. and Director of other Companies since 26 April 2010.
  3. Resigned from Companies' Director on 26 April 2010.
  4. Become General Manager of Houay Ho Power Co., Ltd. since 16 August 2010.
  5. Become Plant Manager of Houay Ho Power Co., Ltd. since 1 May 2009.
  6. Become VP - EH&S and Operations Quality Management since 1 February 2011.
  7. Become Plant Manager Glow Energy (Phase 1&2) since 1 February 2011.
  8. Resigned from Director and Chief Executive Officer of Houay Ho Power Co., Ltd. since 16 August 2010.
  9. Resigned from Director and Chief Executive Officer of Houay Ho Power Co., Ltd. since 16 August 2010.
  10. Become Director of Houay Ho Power Co., Ltd. since 16 August 2010.
  11. Become Director of Houay Ho Power Co., Ltd. since 16 August 2010.



## SELECTION OF DIRECTORS AND MANAGEMENT TEAM

### Selection of Directors

The Nomination and Remuneration Committee's duties include but are not limited to:

- Recommending qualified candidates to sit on the Board. Shareholders must approve the appointment of incoming Board members during the annual general shareholders' meeting before their appointment is considered official.
- Seeking proposals from individuals for appointment to the Board as independent board members.

The following rules and procedures apply to Shareholders' meetings when electing new Board members:

- Each shareholder shall have one vote for each share that he or she (or it) holds;
- Each shareholder shall exercise all the votes he or she (or it) holds to elect one or several individuals to be directors (if any shareholder wishes to vote for several candidates, their votes will be divided equally between all such candidates); and
- The candidates receiving the most votes, in descending order, shall be elected to the Board until all of the Board members' positions are filled.

In the event that a position on the Board becomes vacant for reasons other than retirement, the Board shall, by a majority vote of not less than three-fourths of the remaining members, elect a suitably qualified replacement who does not possess characteristics prohibited under Section 68 of the Public Company Limited Act B.E. 2535.

### Selection of Management Team

The Nomination and Remuneration Committee is also responsible for nominating qualified candidates to replace the CEO whenever necessary. This responsibility includes the development of a CEO succession plan that considers both potential internal and external candidates.

The Board is responsible for selecting the Company's management teams by taking into consideration the experience, knowledge and skills for the managerial position in question.

## REMUNERATIONS

### Remunerations of the Board of Directors

A resolution was passed concerning the remuneration of the chairman and other non-executive members of the Board during the 26 April 2010 Annual General Shareholders' Meeting. The resolution was based on taking into account the profit of the Company, number of factors compared within the same industry together with the business expansion. The remuneration of Directors for the year 2010 as below:

	<i>Unit: Baht</i>	
	<b>Fixed Remuneration (Per Year)</b>	<b>Meeting Allowance (Per Meeting)</b>
Chairman	385,000	88,000
Non-Executive members	385,000	88,000

During the 2010 fiscal year, the total remuneration paid to the Company's 12 Board members was 4,106,666.67 Baht excluding a total Meeting allowance of 3,520,000 Baht.

### Remunerations for Committees

- A resolution was passed concerning Audit Committee Member's remuneration during the 26 April 2010 Annual General Shareholders' Meeting. The resolution was based on taking into account the profit of the Company, number of factors compared within the same industry together with the business expansion.

• The Board passed a resolution on the remuneration of members of the Nomination and Remuneration Committee on the basis of an annual fixed fee and meeting allowances as listed in the table below:

Unit: Baht

	Annual Fixed Fee (Per Year)	Meeting Allowance (Per Meeting)
<b>The Audit Committee</b>		
Chairman	-	38,266
Members	-	32,436
<b>The Nomination and Remuneration Committee</b>		
Chairman	42,400	26,500
Members	30,740	19,080

### Remuneration of the Management Team

The total remuneration paid by the Company to the 30 individuals on the management team during fiscal year 2010, including salary and provident fund payments as well as other types of remuneration such as bonuses, totaled 146,704,154 Baht.

## GOOD CORPORATE GOVERNANCE

### Principles of Corporate Governance

The Board of Directors is committed to the principles of good corporate governance in compliance with the recommended best practices for listed company and relevant rules, regulations and guidelines of the Stock Exchange of Thailand ("SET"), the Office of the Securities and Exchange Commission ("SEC"), the OECD Principles of Corporate Governance and GDF SUEZ best practices.

### Rights of Shareholders and Shareholders' Meeting

The Company's Shareholders shall have the following basic rights:

- Rights to buy, sell, or transfer shares;
- Rights to share in the profit of the Company;
- Rights to have access to the Company's information in a timely fashion and on a regular basis;
- Rights to participate and vote in the Shareholders' Meeting including the rights to:
  - Elect or remove members of the Board;
  - Propose and approve the appointment of the external auditor;
  - Participate in the decision making of any transactions that affect the Company and/or the Shareholders in a material manner.

The Board of Directors shall provide the Shareholders, in advance of the meeting, information regarding the time, venue and all agendas to be discussed during the meeting, including adequate support data. The Shareholders shall also be informed of the criteria and procedures governing the Shareholders' Meeting including the voting procedure and use of proxy.

### Equitable Treatment of Shareholders and roles of Stakeholders

The Board of Directors recognizes the rights of Stakeholders and therefore encourages cooperation between the Company and the Stakeholders as well as other concerned parties including staff, customers, trading partners, creditors, government agencies, communities where the Company operates and the society at large. Directors, executives and staff must comply with the Code of Conduct which has been established to ensure fair and balance dealings with Stakeholders.

In addition, the Board of Directors requires that operational information be reported to Stakeholders and related parties through Form 56-1, the annual report, the Company's website and other relevant channels. Two-way communication channels have been established to ensure Stakeholders and other parties to express their views or file grievances.



The Board of Directors shall represent all Shareholders and in every case must act in the Company's corporate interest. Each Director undertakes to verify that Company's decisions do not favor the interest of one portion or category of Shareholder over those of any other.

The Board of Directors shall facilitate the minority Shareholders to propose, in advance of the meeting dates, any issues for consideration in the Shareholders' Meeting. The Board of Directors has established a procedure to allow the Shareholders to make such proposal including a procedure to nominate candidates.

The Board has approved the Insider Trading Policy to prevent the use of inside information for abusive use of insider information.

### **Disclosure and Transparency**

The Board of Directors shall disclose accurate, complete, adequate, regular and timely information, both financial and non-financial, related to the Company's business and performance.

The Board of Directors shall ensure strict adherence to all relevant laws, rules and regulations relating to the disclosure of information and transparency. The Company has designated the Finance & Investor Relations Department to disseminate information to Shareholders and other Stakeholders and to equitably and appropriately assist investors and securities analysts to understand the Company and its business. Information posted in the Company's website is in both Thai and English. In addition, the Corporate Communications Department has been assigned to widely publicize timely corporate information and performance data via various media.

### **Responsibilities of the Board of Directors**

#### **1. Roles and Responsibilities of the Board of Directors**

- The Company's Board of Directors performs its duties in accordance with laws, objectives and articles of association of the Company, regulations of the SET as well as in accordance with the resolutions of Shareholders' Meeting. The Board of Directors may authorize one or more Directors or any person to act on its behalf.
- The Board of Directors has the power to make decisions and oversee the operations of the Company, except in the following cases, for which an approval from the Shareholders' Meeting has to be obtained first:
  - Any activity that laws and/or articles of association of the Company, has specified that it must have approval from the Shareholders' meeting first;
  - Any undertaking of any related transaction which needs to comply with relevant regulations of the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC");
  - Any acquisition or disposal of the assets which needs to comply with relevant regulations of the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC").
- The Board of Directors has the power to declare payment of interim dividends from time to time if it deems that the Company has enough profit and available cash flow to do so.
- Meeting of the Board of Directors:
  - The Board of Directors is fixed to have at least 4 meetings a year to consider and approve the quarterly financial statements during the months of February, May, August and November and if it is necessary, an additional meeting may be arranged. For each meeting, a clear agenda is specified with correct, complete and adequate supporting documents submitted to each Director at least 7 days in advance prior to the meeting so that the Director can have time to study the information before attending the meeting. Each Director can openly discuss and express his/her opinion. The Chairman will collect all comments and summarize information gathered from the meeting. The Company's secretariat shall record the minutes of the meeting in writing. Minutes of meeting of the previous meetings which have been approved from the Board of Directors' meeting shall be kept and available for the directors and concerned parties to inspect any time.

## 2. Qualification, Composition and Structure of the Board of Directors

### 2.1 Qualification and Composition of the Board

GLOW's Board is the key to good corporate governance. Members of the Board shall have knowledge, expertise and experience considered beneficial to GLOW. They shall also make every endeavour and devote their time to perform their duties. As such, GLOW has stipulated details in respect of the composition, primary credentials and election of the Board as follows:

- The Board must comprise of a minimum of 5 members, but not exceeding 15 members.
- The Board must comprise of at least 3 Independent Directors or as required by relevant rules, regulations and guidelines of the Stock Exchange of Thailand.
- There should be a good mixture of Board members, including at least three professionals who have knowledge of the energy and power business, at least one with knowledge of law and another with knowledge of finance and accounting.
- Members must be qualified and must have no restricted qualifications as stipulated in the Public Company Act.
- The election of Board members must be transparent and clear.
- Adequate information on the candidates must be provided through the Nomination and Remuneration Committee, before the Board of Directors considers presenting them to the Shareholders' Meeting for approval.
- Details of the background and experience of each Director must be disclosed and updated if there are any changes.

### 2.2 Structure and Independence of the Board

- GLOW shall ensure clear segregation between the roles and responsibilities of the Chairman and the CEO so that the Board, under the guidance of the Chairman, has the authority and is able to control the management's operations effectively and efficiently.
- The Board shall consist of professional external Independent Directors, who must have adequate access to financial and other business information so that they are able to demonstrate independent judgment, protect Shareholders' interests, and attend meetings regularly. The meetings of Independent Directors shall be held at least every six months.
- Directors must be independent according to the SEC's notification regarding the qualifications and scope of work of the Audit Committee, including other qualifications as required by GLOW. This is to enable the Directors to work for the best interest of all Shareholders on an equitable basis and to prevent conflicts of interest between GLOW and management of major Shareholder(s) or other companies having management/major Shareholders in common. In addition, Directors must also be able to express their opinion independently.
- Terms of Directorship
  - Board members will be elected for a period of three (3) years, after which, the members need to resign.
  - Resigned member may be nominated again.
  - During any rotation period, no more than one third of the Directors should be rotated to ensure continuity.
  - During the implementation phase some members may serve on additional year to ensure the rotation policy could be implemented effectively.

## 3. Committees of the Board of Directors

To ensure thorough and efficient examination of key operations, GLOW's Board has established two specific Committees as follows:

3.1 *Audit Committee* is to comprise of at least three independent members of the Board, with at least one Director Member having accounting/finance knowledge. The Audit Committee must be independent in accordance with the notification of the Securities and Exchange Commission (SEC) regarding qualifications and scope of work. The Audit Committee's duties shall involve auditing/governing GLOW's operations, financial reports and internal control systems, the selection of auditors, and the consideration of conflicts of interest, including GLOW risk management. The Audit Committee's scope and responsibilities are described in the Audit Committee Charter.



3.2 *Nomination and Remuneration Committee* is to comprise of 3 members of the Board, 1 of which shall be an Independent Director. The Nomination and Remuneration Committee shall select appropriate candidates proposed for the positions of Director and CEO. The nomination process shall be set up in accordance with certain criteria and shall be transparent.

The Nomination and Remuneration Committee shall also consider the guidelines for the remuneration of the Board, the CEO and the executives directly reporting to the CEO to ensure that the basis is fair and reasonable for submission to the Board and the Shareholders' meeting for approval. The Nomination and Remuneration Committee's scope and responsibilities are described in the Nomination and Remuneration Committee Charter.

#### 4. Self Assessment of the Board of Directors

- The Chairman ensures that every 2 years, the members of the Board will assess the performance of the Board and its Committee as a whole or specifically to the issues, not to any Director. Over a period of time the Board will develop a benchmark of its performance.
- The Chairman (of the Board) will act on the results of the performance evaluation by recognizing the strengths and addressing the weaknesses of the Board and, where appropriate, proposing new members be appointed to the Board or seeking the resignation of Directors.
- The Board will disclose in the annual report that a performance evaluation of the Board and its Committees has been conducted. Evaluations will not be disclosed.

The Company follows prudent supervision control principles in accordance with the Stock Exchange of Thailand's prescribed guidelines, as listed below:

#### **Code of Conduct**

This policy applies to all units of Glow and to all employees regardless of function, grade or standing. References in this policy to "Glow" or "the Company" are meant to include references to all Units of the Glow Group.

1. The Company's activities and operations will be carried out in strict compliance with all applicable laws and prevailing rules and regulations of the countries Glow operates in and in line with GDF SUEZ's Values and Ethics Charter as announced by GDF SUEZ and communicated to all employees.
2. In each of its decisions regarding its activities and operations, Glow must respect the environment (both our natural and human environment) and take into account the direct and indirect impact of its activities and operations on the environment in order for Glow to conduct itself as a business leader responsible for our shared environment for the sustainable development of its business.
3. Under this environmental and social responsibility, Glow is committed to its Glow Environment Policy as announced by the Operations Management and communicated to all staff to encourage concern and respect for the natural and human environment.
4. Employees will ensure that the Company deals in all fairness with its customers, suppliers, competitors and any stakeholders in order to conduct its business operation. In its relations with governmental agencies, customers and suppliers, the Company will not, directly or indirectly, engage in bribery, kick-backs, payoffs, or other activities which may be construed as corrupt business practices.
5. The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited, where such contributions are forbidden by applicable law. Where such contributions are lawful, they must be made in a fair and prudent way and must be approved by the most senior Glow officer.
6. Sales and marketing agents, representatives and consultants ("Agents") will be retained and paid only if they operate independently from Glow and in conformity with applicable legislation. All contracts and agreements must be in writing. Compensation must be comparable to that paid to similar Agents for similar work and in accordance with the applicable detailed policy.

7. Corporate funds and assets must be utilized solely for lawful and proper corporate purposes. Transfer or expenditure of such funds or assets will be undertaken only if the stated purpose is in fact the actual purpose. The transfer or expenditure of such funds and assets must be authorized in writing in accordance with procedures established by Glow. No false or artificial entries shall be made in the Company's books and records for any reason, and all financial transactions must be accurately and properly accounted for in those books and records.
8. Employees may offer tips, gratuity or hospitality of a customary amount or value for routine services or courtesies received. All such expenditures must be reported and recorded in the Company's book of accounts.
9. Employees may not take advantage of, commercialize or exploit any of the Company's information or property, or their position with the Company, for the purpose of inappropriate personal gains or opportunities. In particular, they may receive gifts of token value or accept invitations only if such gifts or invitations have no influence on their decision making and are not illegal under any applicable law. No employee may receive cash from any customer, supplier or business associate of Glow, and only gifts or invitations of a customary amount are permitted.
10. Employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company. Typical conflict situations include providing services (whether as an employee or otherwise) to or owning stock (or stock options) in business entities which are competitors, customers or suppliers of Glow (minor shareholdings of less than 1 percent in listed companies are generally not considered to be conflict of interest situations).
11. Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case (which in the case of directors or senior executive officers can only be given by the Board or one of its committees, and will be disclosed to shareholders).
12. No employee of Glow can buy or sell shares or other securities of a business undertaking, or give advice on the same, if he or she has access by reason of his or her professional activities with Glow, to any non-public information about that business undertaking (whether a part of the Glow Group or not). Trading by employees of Glow stock, including the exercise of stock options, if any, is possible only in accordance with the more detailed guidelines published from time to time by corporate management (see note on insider trading).

All employees of Glow shall be treated fairly and equally in terms of accountability, rights, remuneration and labor practices and in compliance with the labor law. All benefits provided to Glow employees in addition to their standard remuneration (salary and bonus) must be awarded in full compliance with corporate guidelines and national legislation (including tax regulations) and remain in line with local practice.
13. Glow will respect the privacy of data relating to individual persons (whether employees or third parties) which it may hold or handle as part of its information processing activities or otherwise, and will support and respect, within its sphere of influence, the protection of international human rights set out in the United Nations' Universal Declaration of Human Rights.
14. Employees should maintain the confidentiality of the Company's and its employees' and customers' confidential information which is disclosed to them. Glow recognizes Intellectual Property Rights and other proprietary information as a central shareholder value in any high technology company. Glow takes every appropriate action to preserve and enhance its Intellectual Property and respects the Intellectual Property rights of others.
15. All officers, executives and managers of Glow and its subsidiaries are responsible for the continuing enforcement of and compliance with this policy, including necessary distribution to ensure employee knowledge and compliance. Non compliance with this policy will result in disciplinary measures.
16. Any employees meeting with difficulties in the application of this policy must consult with their management. Any reports of violations of this policy by an employee to his or her supervisor, or directly to Glow's Ethics Officer, will be treated seriously and confidentially provided they are made in good faith and properly documented, and Glow will not take any retaliatory action against employees or anyone who do such reports.
17. In line with SET Instructions, Glow employees shall not accept stock options of any company other than Glow.



## HUMAN RESOURCE MANAGEMENT

As of December 31, 2010, there were a total number of 700 people employed by the Company, as indicated below:

Company	Head Office	Employee Plants	Total
Glow Energy Plc.	-	99	99
Glow Co., Ltd.	128	170	298
Glow IPP Co., Ltd.	-	39	39
Glow SPP 1 Co., Ltd.	-	34	34
Glow SPP 2 Co., Ltd.	-	53	53
Glow SPP 3 Co., Ltd.	-	25	25
GHECO-One Co., Ltd.	-	74	74
Houay Ho Power Co., Ltd.	10	68	78
<b>Total</b>	<b>138</b>	<b>562</b>	<b>700</b>

### *Employees Remuneration*

As of December 31, 2010, the total remuneration paid to employees amounted to 673,324,981.27 Baht including salaries, overtimes, bonuses and provident funds.

### *The Company and its Subsidiaries' Policy for Employees*

At Glow, our people are the foundation of our success. We have 700 employees in Thailand at a variety of locations including our Head Office in Bangkok, Power plants in Rayong and Chonburi Provinces as well as Houay Ho Power in Laos.

Our employees enjoy a safe and satisfying work environment that encourages teamwork and creativity and seeks to cultivate a sense of belonging and commitment. This is supported by our leadership, high technical standards, and a passion for safety.

We are committed to being a world class operator of power generation and co-generation facilities. This commitment requires that we play close attention to relevant Environmental, Health and Safety standards in order to protect our employees, clients and the communities within which we operate.

Both collectively and individually, our employees' depth of knowledge and experience creates value for our shareholders and customers. Our human resources department has the crucial role of facilitating our employees' professional development. We devote substantial resources to training our employees, which enhances our organization's competitiveness. Our major shareholder plays an important support and guiding role in these processes.

We also seek to attract and retain qualified professionals capable of working well within Glow's organizational culture, which is based on Communication, Adaptability, Commitment, Social Partnerships and Sustainable Business Relations.

We encourage and support employees to realize their full professional potential by offering challenging work, on-the-job development, formal training and external educational opportunities. We also offer our employees highly competitive remuneration packages, which include an attractive range of benefits.

Glow employees treat each other with trust and respect, and seek to maintain a healthy balance between work and family life. Our operational excellence, our ability to consistently deliver high quality products as well as the reliability and availability of our generating units are our most valued strengths.

## INTERNAL CONTROL

The Glow Audit Committee consists of three members who are also members of the Company's Board of Directors (the "Board"). The Company's Internal Auditor reports to the Audit Committee and Glow management. Internal Audits are performed in cooperation with GDF SUEZ Energy Europe & International Internal Audit ("GSEI IA").

In 2010, the Audit Committee assessed the adequacy of the Company's existing internal control systems to ensure the effectiveness of all operational and financial controls. Taking into account the current business environment and organizational characteristics, the Audit Committee concluded that the internal control systems in place are adequate and appropriate. Additionally, the Company's auditors commented that there were no material deficiencies in the Company's internal control systems with regard to generally accepted accounting principles.

### *The Organization and the Environment*

- The Company's current organizational structure allows the Company's management team to operate objectively and efficiently by clearly specifying the roles and responsibilities of each person.
- During the past years, the Company has concentrated substantial material and human resources on continuing to improve the internal control framework.
- Comprehensive policies and procedures have been developed and thereafter established for every significant business processes. Every employee is required to comply with these policies and procedures within the context of their respective work-related responsibilities.
- A Glow Code of Conduct has been implemented, and, along with the GDF SUEZ Ethics Charter, has been communicated to all Company employees.
- Glow's Internal Audit formally reports its activities and its findings to the Company's management and to the Audit Committee at least four times each year.
- The Company is also subject to GSEI IA, which works closely with the Company's Internal Audit function, the latter of which is responsible for coordinating and following-up on the implementation of all audit recommendations.
- The Company's CEO and CFO commit, by signing an annual attestation letter, to formulating internal control systems within the scope of their respective responsibilities. This is based on existing monitoring programs and must take into consideration the conditions and constraints under which relevant internal controls function. This process includes evaluations that are carried out using self-assessment questionnaires on the general control environment.

### *Risk Management Measurement*

- Business risks deemed as having a potential impact on the business's ability to achieve its objectives are formally assessed twice a year, taking into consideration present and future risks within the context of the strategic, financial, operational and compliance environments.
- The impact and likelihood of each risk and associated risk factor are identified and assessed.
- Risk responses and measurements are developed to reduce risks.
- Identified risks are monitored continuously.
- Risks are discussed during the Board's meetings and monthly management meetings.

### *Operation Controls of the Management*

- Internal and External Power Of Attorney ("POA") have been established and communicated to all Company employees. Both documents are updated as required and approved by the Board. The POA clearly specifies authorization limits for capital and operational expenditures on a functional basis.
- For other transactions with major shareholders, directors, management, staff or other persons related to those parties, the Company has established strict guidelines to prevent any conflicts of interest, which take into consideration the optimization of the Company's value on behalf of shareholders and other stakeholders. In addition, all related-party transactions must be completed on an "arms-length" basis - the same basis applicable to all third party transactions.



### **Information and Communication Systems**

- Important and reliable business and financial information is made available to the Company's directors to assist them in all decision making processes.
- The Company strives continuously to improve information and communication systems.
- The Members of the Board receive an invitation, meeting agenda and all related supporting documentation for consideration during official Board meetings before the meeting and within the minimum period of time prescribed by law. Moreover, the minutes of the Board meetings are available for shareholders to inspect, and to ensure the appropriateness of the Board's actions.
- The Company maintains and retains all documentation used in the recording of accounting transactions, as well as all other relevant supporting documentation, in an organized manner and in compliance with laws regulating the documentation retention period.
- The Company applies generally accepted accounting principles and policies in accordance with Thai Accounting Standards ("TAS") and other applicable International Financial Reporting Standards ("IFRS") and aligned with the characteristics of the Company's business.

### **Monitoring Systems**

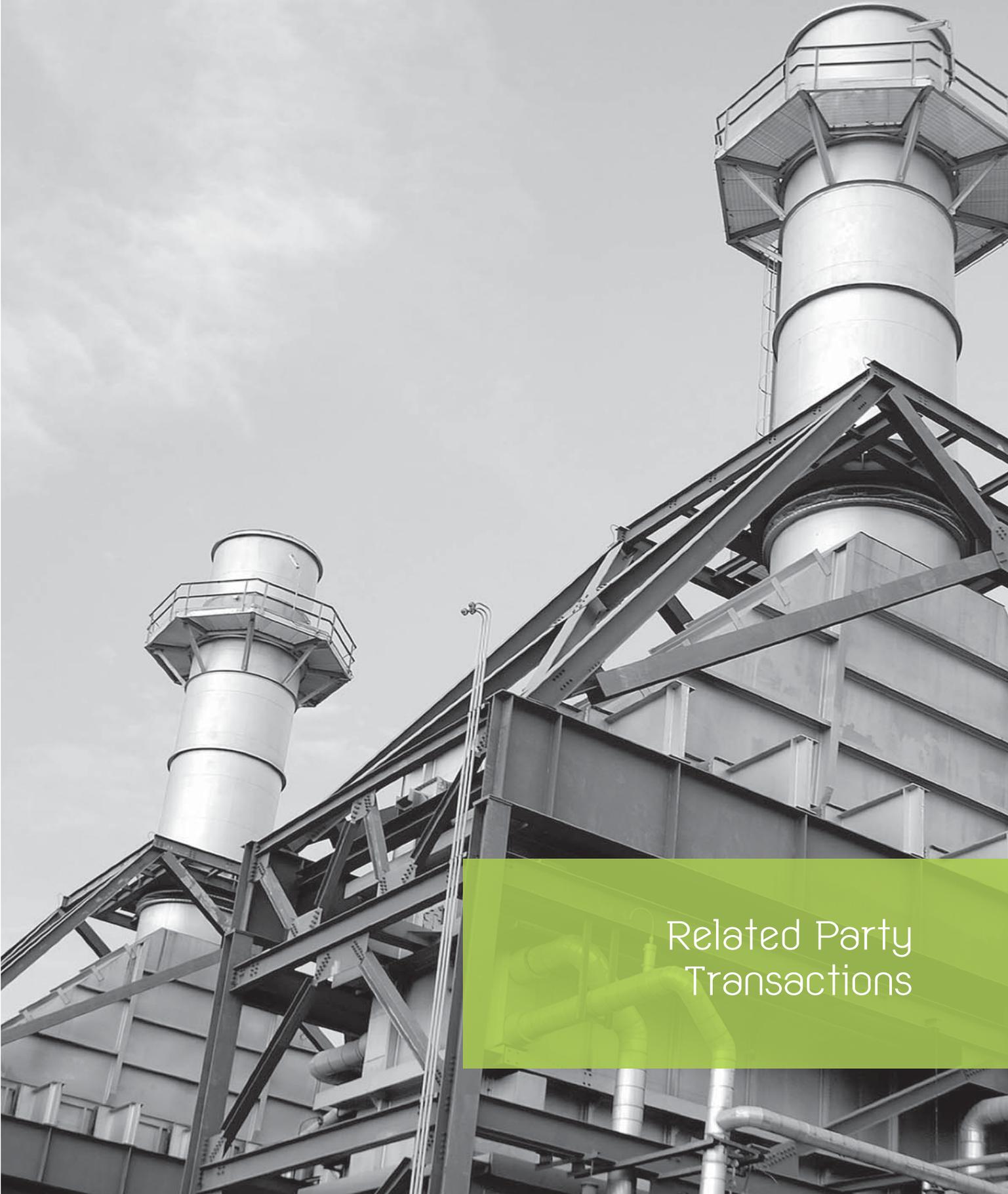
- Glow Internal Audit promptly reports all material internal control deficiencies to Glow management and to the Audit Committee. The Audit Committee evaluates these deficiencies, assesses the adequacy of the remediation plans in place and reports these findings to the Board for their consideration within a reasonable period of time.
- The Company's directors monitor and compare the operational performance of the organization and management using agreed upon objectives, key performance indicators and budgets.
- The Company's internal control systems are audited continuously.
- Each year, the Company agrees on an Internal Audit Plan based on identified high-risk areas to be included in the internal audit's planning.

### **LSF - French Law on Internal Controls**

- The Company's corporate governance principles and internal control requirements have been undergoing deep reforms for several years.
- In September 2003, the SUEZ Group launched the Control Disclosure Program ("CODIS") in response to increasing regulatory pressures regarding internal control and disclosure requirements, such as the French Law on Internal Controls ("LSF"). Beyond the importance of ensuring compliance, the Program was seen as an opportunity to add value by reinforcing the Company's existing financial reporting processes as well as our Group of companies' internal control systems.
- The CODIS program was renamed the INCOME (Internal Control Management & Efficiency) program early in 2009.
- Glow Energy and Glow IPP are all identified in the scope of the INCOME program.
- The INCOME Internal Control program required a significant effort from Glow Group, especially during the last five years. All processes and related internal control procedures related to financial statements have been documented and assessed by the Business Process Owners for design effectiveness (completeness of documentation of the control) and operating effectiveness (effective execution of the internal control). This self-assessment process reinforces ownership and responsibility. It also guarantees the sustained operational effectiveness of the internal control system, and ensures its ability to adapt to organizational, procedural, or regulatory changes. Accounting management, asset management, sales management, procurement management, operations management, corporate governance, and IT management are among the processes that are documented.
- The Business Process Owners are assisted by an Internal Control Coordinator ("ICC"). The ICC ensures the Internal Control program's proper implementation within the company, and prepares information in support of the CEO and CFO's signing of the internal control attestation.
- Glow's Internal Audit and External Auditors conduct extensive tests on the Company's most critical internal controls (Key Controls). These tests, which include assessments of design and operating effectiveness, help improve internal control systems by recommending action plans designed to remedy identified deficiencies.

- Glow management has successfully developed the necessary remediation plans for all deficiencies identified during these tests. The implementation of remediation actions is closely monitored and subject to ongoing tests to ensure effective implementation.
- On January 13, 2011, the Company's CEO and CFO signed the Glow Internal Control Attestation for the 2010 Accounting Year, which was subsequently submitted to the GSEI MEAA Business Area CEO and CFO.
- The Company will continue to embed the above noted internal control systems into the culture of its organization.





Related Party Transactions

# Related Party Transactions

## DETAIL OF RELATED PARTY TRANSACTIONS

The Company has business transactions with its subsidiaries, associated companies and related companies as details disclosed in the note to the financial statements No. 19.

In addition, the Company and its six subsidiaries, comprising of Glow Co., Ltd., Glow SPP 1 Co., Ltd., Glow SPP 2 Co., Ltd., Glow SPP 3 Co., Ltd., Glow IPP Co., Ltd., and Glow Demin Water Co., Ltd. ("Glow Group") jointly entered into Support Services Agreement and Engineering Services Agreement on February 9, 2009 (Superseded the agreements dated May 3, 2005) with SUEZ-Tractebel S.A. ("SUEZ"), whereby, SUEZ shall provide consulting services in respect of engineering, operational, financial and auditing system, investment, project finance, insurance, etc. The service fee is based on reference market rate and shall be in Euro currency. The service agreements will be determined in the hourly rate depend on the type of services. The term of the agreements is 2 years from July 11, 2008, automatically renewed for successive one-year term unless termination is notified by either party. Nevertheless, the agreements shall be terminated on the date that GDF SUEZ S.A. (the ultimate shareholder) holds directly or indirectly less than 25 percent of the shares of Glow Group.

## NECESSITY AND REASONABLENESS OF THE RELATED TRANSACTIONS

The related transactions of the Company and the person who might have conflict of interest for the past year have been done by taking into consideration the maximum benefit of the Company, and the Audit Committee has considered and agreed that such transactions were normal course of the business and there was no benefit transfer between the Company and the person who might have the conflict of interest. In addition, price fixing, fee rate and interest rate of the transactions all were in accordance with general trade conditions. Price fixing was comparable to market price and competitive mechanism or was the reasonable price and did not have condition that differed from making transactions with other third parties.

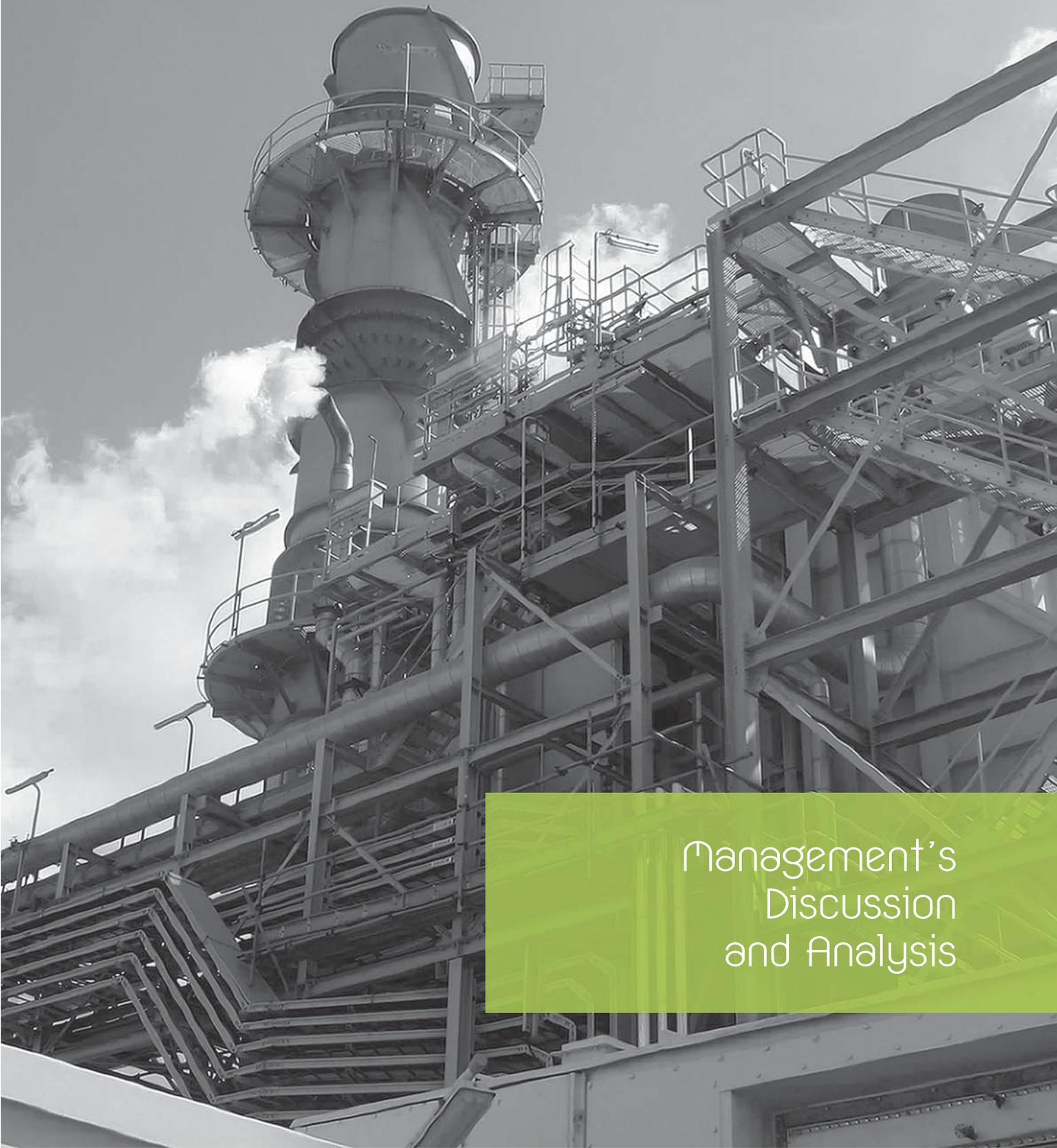
## APPROVAL PROCEDURES OF RELATED TRANSACTIONS

Since the related transactions of the Company were in accordance with the normal course of business operations, just like the purchase, sales and/or services provided to the other unrelated business, the approval procedures are in accordance with the regulations of the Company, the subsidiaries, the associated companies and the related companies. In addition, for the consideration of the related transactions between the Company and the persons who might have conflict of interest and are a shareholder or the management of such company, such shareholder or such management shall not take part in the approval process.

## POLICY AND TREND OF RELATED TRANSACTION IN THE FUTURE

The Company anticipates that there will be related transactions incurred in the future because the related transactions of the Company have been done in accordance with the normal business of the Company and the Company has the policy to operate such related transactions for the maximize benefit of the Company. For the related transactions in the future, the Company shall comply with the laws concerning securities and stock exchange and the regulations, announcements, orders or requirements of the Stock Exchange of Thailand as well as to comply with the requirements concerning the disclosure of the related transactions and the acquisition and disposal of the material assets of the Company including compliance with the accounting standard specified by the Accountants and the Certified Public Auditors Association of Thailand and Federation of Accounting Professional.

However, if there is a related transaction of the Company with a person who might have conflict of interest or the stakeholders or who might have conflict of interest in the future, the Company shall appoint the Audit Committee to give opinion on necessity and reasonableness of such transaction and the appropriateness of price fixing of other items so as to be in accordance with the general market price and with the conditions that is not different from other third parties or at prime cost. In addition, the Company shall disclose the related transactions in the note to the financial statements, which has been audited by the auditors of the Company.



Management's  
Discussion  
and Analysis

# Management's Discussion and Analysis of Financial Condition and Results of Operation

## RATIO OF FINANCIAL STATEMENT

**Glow Energy Public Company Limited**  
**Financial Ratio Summary**  
**As of December 31,**

		2010	2009	2008
<b>Liquidity Ratio</b>				
- Current Ratio	Times	1.84	1.79	1.52
- Quick Ratio	Times	1.46	1.45	1.22
- Cash Ratio	Times	0.93	0.67	0.70
<b>Profitability Ratio</b>				
- Gross Profit Margin	%	18.50	16.16	15.90
- Operating Profit Margin	%	23.33	17.25	13.77
- Net Profit Margin	%	16.03	12.14	10.50
- Return on Equity	%	16.32	13.44	11.96
<b>Efficiency Ratio</b>				
- Return on Asset	%	5.96	5.42	5.70
- Return on Fixed Asset	%	10.99	11.40	12.51
- Asset Turnover	Times	0.37	0.45	0.54
<b>Financial Ratio</b>				
- Debt to Equity	Times	1.83	1.63	1.32
- Interest Coverage	Times	7.20	7.32	8.94
- Dividend Payout	%	n/a <sup>(1)</sup>	63.69	71.75

**Note:** <sup>(1)</sup> Annual Dividend of 2010 is to be approved in Annual General Meeting of Shareholder

## OVERVIEW

Glow Energy Public Company Limited and its subsidiaries are one of the largest private electricity generators and providers of industrial utilities in Thailand and neighboring country. We operate IPP and cogeneration facilities (most of which operate as SPPs under Thailand's SPP program) and our core business is to produce and supply electricity to EGAT and electricity and steam to industrial customers in the MIE<sup>1</sup> Area. As of December 31, 2010, we had a total generating capacity of 1,945 MW of electricity and 1,046 tons per hour of steam.

We recorded total revenues of Baht 37,878.8 million in 2010, a 6.6 percent increase from Baht 35,525.0 million in 2009. Our normalized net profit<sup>2</sup> (net profit excluding unrealized exchange gains/losses), which is the basis used to determine our dividend distribution, was Baht 4,513.7 million in 2010, a 19.2 percent increase from Baht 3,786.0 million in 2009. As of December 31, 2010, we had total assets of Baht 107,326.5 million and total liabilities of Baht 69,373.9 million. The result of Year 2010 was inclusive of additional insurance compensation from the unplanned outage of the 150 MW coal-fired unit, which was out of service between November 2008 to March 2009 and compensation from delay of the commercial operation of CFB 3 project. These amounts of compensations were recorded as Other income for the amount of Baht 116.6 million and Baht 293.2 million respectively.

<sup>1</sup> Map Ta Phut Industrial Estate in Rayong Province

<sup>2</sup> Excluded unrealized gain/loss attributed to minority shareholders in subsidiaries.



## REVENUES

We derive our revenues primarily from sales of electricity to EGAT and sales of electricity, steam and clarified and demineralized water to industrial users in the MIE Area. The following table breaks down our revenues by source for the periods indicated:

	Revenues					
	Year to Date Ended December 31,					
	2010		2009		Difference	
	(Baht Millions)	(%)	(Baht Millions)	(%)	(Baht Millions)	(%)
Revenues from Sales of Goods and Rendering of Services						
Electricity						
Sales to EGAT by IPPs	11,709.2	30.9	11,314.4	31.8	394.8	3.5
Sales to EGAT by SPPs	8,738.9	23.1	9,279.0	26.1	(540.1)	(5.8)
Sales to Industrial Customers	10,488.1	27.7	9,188.4	25.9	1,299.7	14.1
Total	30,936.2	81.7	29,781.7	83.8	1,154.4	3.9
Steam	4,373.4	11.5	4,366.2	12.3	7.2	0.2
Processed water	347.4	0.9	356.1	1.0	(8.7)	(2.4)
Total	35,657.0	94.1	34,504.0	97.1	1,153.0	3.3
Other Income	2,221.8	5.9	1,021.0	2.9	1,200.8	>100
<b>Total Revenues</b>	<b>37,878.8</b>	<b>100.0</b>	<b>35,525.0</b>	<b>100.0</b>	<b>2,353.8</b>	<b>6.6</b>

Our revenues are in part driven by the volumes of electricity and industrial utilities that we produce and sell to our industrial customers in MIE Area. The following table sets out our volumes of electricity and industrial utilities sold for the periods indicated:

	Volumes Sold			
	Year to Date Ended December 31,			
	2010	2009	Difference	(%)
Electricity dispatch (GWh)				
To EGAT by IPPs <sup>(1)</sup>	5,697.4	5,226.5	470.9	9.0
To EGAT by SPPs	3,394.5	3,476.4	(81.9)	(2.4)
To Industrial Customers	3,897.5	3,404.1	493.4	14.5
Total	12,989.3	12,107.0	882.3	7.3
Steam (thousands of tons)	5,372.0	5,309.9	62.1	1.2
Processed water (thousand of cubic meters)	11,156.4	11,433.3	(276.9)	(2.4)

**Note:** <sup>(1)</sup> Included Electricity dispatch by Houay Ho Power for Jun - Dec 2009 = 126 GWh, Jan - Dec 2010 = 370 GWh

### Revenues from Sales of Goods

#### Electricity Sales to EGAT

We sell electricity to EGAT under our EGAT power purchase agreements<sup>3</sup>. We are currently party to 2 IPP power purchase agreements, in respect of 713 MW of electricity located in Thailand and 128 MW of electricity located in Lao PDR. in

<sup>3</sup> Under IPP program, sell EGAT consists of Availability Payment and Energy Payment whereas under SPP program sell to EGAT consists of Capacity Payment and Energy Payment.

which 126 MW sales to EGAT and 2 MW to Electricite Du Laos (EDL) and a total of 8 SPP power purchase agreements, in respect of an aggregate of 590 MW of electricity.

#### **Electricity Sales to Industrial Customers**

We sell electricity to our industrial customers under our power supply agreements. As of December 31, 2010, we were party to a total of 41 power supply agreements with 30 industrial customers in respect of an aggregate of 561 MW of electricity.

#### **Steam Sales**

We sell steam to our industrial customers under our steam supply agreements. As of December 31, 2010, we were party to a total of 24 steam supply agreements with 18 industrial customers in respect of an aggregate of 805 tons per hour of steam.

#### **Processed Water Sales**

We sell clarified water and demineralized water to our industrial customers under our water supply agreements. As of December 31, 2010, we were party to a total of 13 water supply agreements with 9 customers in respect of an aggregate of 1,576 cubic meters per hour of water.

## **EXPENSES**

Our expenses consist of cost of sales of goods and selling and administrative expenses. The following table sets out the different components of our expenses by their amount and as a percentage of our total expenses for the periods indicated:

	<b>Expenses</b>					
	<b>Year to Date Ended December 31,</b>					
	<b>2010</b>		<b>2009</b>		<b>Difference</b>	
	<b>(Baht millions)</b>	<b>(%)</b>	<b>(Baht millions)</b>	<b>(%)</b>	<b>(Baht millions)</b>	<b>(%)</b>
<b>Cost of Sales of Goods</b>						
Fuel						
Natural Gas	21,775.2	73.7	22,048.0	74.6	(272.8)	(1.2)
Coal	2,010.4	6.8	2,016.7	6.8	(6.4)	(0.3)
Diesel	6.0	0.0	0.8	0.0	5.2	>100
Maintenance	857.5	2.9	844.7	2.9	12.8	1.5
Depreciation / Amortization	2,825.8	9.6	2,732.5	9.2	93.3	3.4
Other	1,583.8	5.4	1,284.3	4.3	299.5	23.3
Total Cost of Sales of Goods	29,058.7	98.3	28,927.0	97.8	131.7	0.5
<b>Selling and Administrative Expenses<sup>(1)</sup></b>						
Depreciation / Amortization	29.2	0.1	29.6	0.1	(0.4)	(1.2)
General	463.2	1.6	608.3	2.1	(145.0)	(23.8)
Total Selling and Administrative Expenses	492.5	1.7	637.9	2.2	(145.4)	(22.8)
Other Expenses	8.4	0.0	8.3	0.0	0.1	1.6
<b>Total Expenses</b>	<b>29,559.6</b>	<b>100.0</b>	<b>29,573.1</b>	<b>100.0</b>	<b>(13.6)</b>	<b>(0.0)</b>

**Note:** <sup>(1)</sup> The data was reclassified in compliance with the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements B.E. 2552" dated January 30, 2009 regarding the preparation and submission of financial statements and reports for the financial position and result of operations of the listed companies.



The following table shows a breakdown of our costs for our IPP facilities, on one hand, and for our cogeneration facilities, on the other:

IPP and Cogeneration Facilities Cost of Sales of Goods Breakdown <sup>(1)</sup>						
	Year to Date Ended December 31,					
	2010		2009		Difference	
	(Baht millions)	(%)	(Baht millions)	(%)	(Baht millions)	(%)
<b>IPP Facilities</b>						
Natural Gas	8,337.5	83.6	8,167.6	85.2	169.9	2.1
Coal	-	-	-	-	-	-
Diesel	6.0	0.1	0.8	0.0	5.2	>100
Maintenance	73.5	0.7	77.3	0.8	(3.8)	(4.9)
Depreciation/Amortization	1,228.4	12.3	1,108.7	11.6	119.7	10.8
Others	332.0	3.3	236.8	2.5	95.1	40.2
<b>Total Cost of Sales</b>	<b>9,977.4</b>	<b>100.0</b>	<b>9,591.2</b>	<b>100.0</b>	<b>386.2</b>	<b>4.0</b>
<b>Cogeneration Facilities</b>						
Natural Gas	13,437.7	70.4	13,880.5	71.8	(442.7)	(3.2)
Coal	2,010.4	10.5	2,016.7	10.4	(6.4)	(0.3)
Diesel	-	-	-	-	-	-
Maintenance	784.0	4.1	767.4	4.0	16.6	2.2
Depreciation/Amortization	1,597.4	8.4	1,623.8	8.4	(26.4)	(1.6)
Others	1,251.8	6.6	1,047.5	5.4	204.4	19.5
<b>Total Cost of Sales</b>	<b>19,081.3</b>	<b>100.0</b>	<b>19,335.8</b>	<b>100.0</b>	<b>(254.5)</b>	<b>(1.3)</b>

**Note:** <sup>(1)</sup> The data presented herein as the cost of sales of our cogeneration facilities is our consolidated financial results less the results of Glow IPP Co., Ltd., Houay Ho Power Co., Ltd. and GHECO-One Co., Ltd. In fact, certain of these amounts are attributable to portions of our business, which are not technically our cogeneration facilities, although these amounts represent only a small portion thereof.

## Cost of Sales of Goods

### Fuel

The principal fuels that we use to generate electricity and steam are natural gas and coal. Purchases of natural gas constitute our single largest operating expense, accounting for 73.7 percent of our total expenses in 2010.

The following table sets out our average gas costs for the periods indicated:

Average Effective Cost of Natural Gas <sup>(1)</sup>				
	Year to Date Ended December 31,			
	2010	2009	Difference	
	(Bt/mmBTU)	(Bt/mmBTU)	(Bt/mmBTU)	(%)
Average cost				
To Glow IPP	227.5	232.7	(5.2)	(2.2)
To Cogeneration Facilities <sup>(2)</sup>	233.7	237.5	(3.8)	(1.6)

**Note:** <sup>(1)</sup> These are not our actual gas prices, but are derived by taking our total natural gas expenses and dividing by total fuel consumption of the facilities for the periods presented.

<sup>(2)</sup> This is a "blended" rate, reflecting principally prices paid to PTT (i) by our cogeneration facilities for gas used to supply electricity to EGAT and industrial customers, (ii) for gas used to fire boilers to generate steam for industrial customers. Each of the prices set out in (i) and (ii) are different. We also purchase small amounts of tail gas from another Thai supplier, which prices are separate and are also factored into the foregoing rates.

Purchases of coal accounted for 6.8 percent of our total expenses in 2010.

The following table sets out average coal costs for the periods indicated:

	Average Cost of Coal <sup>(1)</sup>			
	Year to Date Ended December 31,			
	2010	2009	Difference	
	(\$/ton)	(\$/ton)	(\$/ton)	(%)
Reference coal price @ 6,700 kcal/kg <sup>(2)</sup>	79.2	83.9	(4.7)	(5.5)
Freight Costs <sup>(3)</sup>	10.8	12.8	(2.0)	(15.8)

**Note:** <sup>(1)</sup> This Average Cost of coal was excluded cost of biomass mix.

<sup>(2)</sup> These are not our actual coal prices, which are subject to various adjustments under the terms of our coal supply contracts, but a benchmark provided to illustrate the general movements in coal prices over the periods presented.

<sup>(3)</sup> These reflect our actual freight and insurance costs.

The key determinants of our fuel expenses are the amounts of electricity and steam produced by our facilities and the efficiency with which we are able to generate such products.

The following table sets out the energy production levels and heat rates of our facilities for the periods indicated:

	Production and Heat Rates <sup>(1)</sup>	
	Year to Date Ended December 31,	
	2010	2009
<b>Glow IPP</b>		
Equivalent energy production (GWh)	5,327	5,100
Fuel consumption (mmBTU, HHV)	36,744,422	35,385,104
Heat rate (BTU/kWhe, HHV) (kWhe, HHV)	6,898	6,938
<b>Cogeneration facilities</b>		
Allocated energy production (GWh equivalent) <sup>(2)</sup>		
Gas-fired cogeneration facilities	6,555	6,626
Coal-fired cogeneration facility	1,680	1,526
Fuel consumption (mmBTU, HHV)		
Gas-fired cogeneration facilities	57,431,647	58,393,587
Coal-fired cogeneration facility	17,002,733	15,634,570
Allocated heat rates (BTU/kWhe, HHV)		
Gas-fired cogeneration facilities	8,762	8,813
Coal-fired cogeneration facility <sup>(3)</sup>	10,165	10,280

**Notes:** <sup>(1)</sup> We present an "allocated" heat rate, which is a deemed heat rate for our cogeneration facilities that we derive by dividing the total fuel energy consumption of such facilities over a specified period of time by the energy produced during such period. This is not a straightforward exercise, particularly with respect of our Glow SPP 2 / Glow SPP 3 hybrid facility, where, for purposes of such calculation, we are required to "allocate" the amount of energy produced using steam and the amount of energy used producing gas. We make this allocation on the basis of the contribution of each energy source to total energy input, which involves subjective judgments and the use of simplifying assumptions.

<sup>(2)</sup> Includes production of electricity and steam. For these purposes, steam has been converted into MW at a deemed equivalent electrical energy value.

<sup>(3)</sup> CFB start-up gas is charged to the coal heat rates for purposes of the figures presented in this table.



## RESULTS OF OPERATIONS

### Year 2010 compared to Year 2009

#### Revenues

Revenues from sales of goods and the rendering of services, included Other income was Baht 37,878.8 million in 2010, a 6.6 percent increase from Baht 35,525.0 million in 2009. The increase was attributable to the following factors:

- Sales of electricity to EGAT by Glow IPP and Houay Ho Power (HHPC), under IPP scheme, amounted to Baht 11,709.2 million in 2010, a 3.5 percent increase from Baht 11,314.4 million in 2009. This increase was principally caused by higher availability of Glow IPP, increase of EGAT dispatch of Glow IPP, and consolidated revenue from HHPC, despite the appreciation of Thai Baht and decreased in gas price. In 2010, Glow IPP plant availability was 95.4 percent compared to 93.1 percent in last year mainly due to a major inspection in the first quarter 2009. EGAT dispatch of Glow IPP is increased by 4.4 percent from 2009. Energy Payment from EGAT increased by 1.5 percent as a result of higher EGAT dispatch despite lower gas cost. The contribution from HHPC in 2009 was consolidated only from June to December 2009 while consolidation in 2010 was for the whole period. Thai Baht appreciated by 7.6 percent from 34.46 Baht per US Dollar in 2009 to 31.83 Baht per US Dollar in 2010. The Thai Baht appreciation adversely affects Availability Payment revenue from EGAT.
- Sales of electricity to EGAT by our cogeneration facilities, under SPP scheme, amounted to Baht 8,738.9 million in 2010, a 5.8 percent decrease from Baht 9,279.0 million in 2009 contributed by 10.4 percent decrease in Capacity Payment and 4.2 percent decrease in Energy Payment. This decrease was principally caused by 7.6 percent appreciation of Thai Baht and lower fuel price, despite relatively stable availability and EGAT dispatch.
- Sales of electricity to industrial customers by our cogeneration facilities amounted to Baht 10,488.1 million in 2010, a 14.1 percent increase from Baht 9,188.4 million in 2009. The increase was principally caused by volume of electricity sold increased by 14.5 percent mainly contributed from new demand of our industrial customers, despite relatively stable tariff.
- Sales of steam to industrial customers by our cogeneration facilities amounted to Baht 4,373.4 million in 2010, a 0.2 percent increase from Baht 4,366.2 million in 2009. This increase was principally caused by 1.2 percent higher sales volume, despite lower gas price.
- Sales of other products and services amounted to Baht 347.4 million in 2010, a 2.4 percent decrease from Baht 356.1 million in 2009. This decrease was principally caused by volume sold lower by 2.4 percent.

Our Other Income consists mainly of revenue from net exchange gains, interest income and other items.

There was a net exchange gain in 2010 amounting of Baht 1,654.0 million while net exchange gain in 2009 was Baht 557.9 million. This exchange gain was derived mainly from the US dollar denominated debt in Glow IPP, GHECO-One and Houay Ho Power<sup>4</sup> which are being served by the US dollar-linked and US dollar revenue from sales of electricity to EGAT.

We recognized interest income of Baht 73.7 million in 2010, an increase of Baht 13.5 million from Baht 60.2 million in 2009. The interest income was principally attributable to interest earned on cash held in the form of deposits, instruments and in reserve accounts under our project financing agreements.

Others income in 2010 amounted to Baht 494.2 million increased from Baht 402.9 million in 2009. In 2010, Others income included compensation on construction postponement from commercial operation delayed of CFB 3 project amounted of Baht 293.2 million and additional insurance compensation from the unplanned outage of the 150 MW coal-fired unit amounted of Baht 116.6 million, whereas such income in last year included the liquidated damage from CFB 3 project amounted of Baht 77.0

<sup>4</sup> Financial Statement of HHPC is presented in US Dollar and be consolidated into our financial statement presented in Thai Baht

million and insurance compensation of business interruption amounted of Baht 223.3 million.

As a result of the foregoing, total revenues in the 2010 amounted to Baht 37,878.8 million, a 6.6 percent increase from Baht 35,525.0 million in 2009.

### **Expenses**

Cost of sales of goods was Baht 29,058.7 million in 2010, a 0.5 percent increased from Baht 28,927.0 million in 2009, which decrease was attributable to the following factors:

#### IPP facilities

- IPP facilities' cost of natural gas from Glow IPP was Baht 8,337.5 million in 2010, a 2.1 percent increase from Baht 8,167.6 million in 2009. This increase was principally caused by higher fuel volume consumption increased by 4.3 percent, as a result of higher EGAT dispatch, despite lower gas price.
- IPP facilities' cost of diesel from Glow IPP in 2010 was Baht 6.0 million compared with Baht 0.8 million in 2009.
- IPP facilities' maintenance costs were Baht 73.5 million in 2010 decreased by 4.9 percent mainly due to the A and B inspection performed on the boiler and gas turbine of the Glow IPP in previous year.
- IPP facilities' depreciation and amortization costs were Baht 1,228.4 million in 2010, a 10.8 percent increase from Baht 1,108.7 million in 2009. This increase was due to the major maintenance in the first quarter 2009 of Glow IPP as well as consolidation of depreciation and amortization of HHPC for the whole period of 2010, whereas in 2009 such consolidated costs was only from June to December.
- IPP facilities' other costs of sales of goods were Baht 332.0 million in 2010, a 40.2 percent increase from Baht 236.8 million in 2009. IPP facilities' other costs of sales of goods consist mainly of water, chemicals, and general overhead costs, where overhead costs decreased slightly year on year.

#### Cogeneration facilities

- Our cogeneration facilities' cost of natural gas was Baht 13,437.7 million in 2010, a 3.2 percent decrease from Baht 13,880.5 million in 2009. This decrease was principally caused by average gas cost to our Cogeneration facilities decreased by 1.6 percent and gas consumption lower by 1.6 percent.
- Our cogeneration facilities' cost of coal was Baht 2,010.4 million in 2010, a 0.3 percent decrease from Baht 2,016.7 million in 2009. The decrease was principally because the reference coal price at FOB was decreased by 5.6 percent, from 83.9 USD/ton to 79.2 USD/ton, despite the coal consumption increased by 13.2 percent from 150 MW coal fired unit outage in the first quarter 2009.
- Our cogeneration facilities' maintenance costs were Baht 784.0 million in 2010, a 2.2 percent increase from Baht 767.4 million in 2009.
- Our cogeneration facilities' depreciation and amortization costs were Baht 1,597.4 million in 2010, a 1.6 percent decrease from Baht 1,623.8 million in 2009.
- Our cogeneration facilities' other costs of sales of goods were Baht 1,251.8 million in 2010, a 19.5 percent increase from Baht 1,047.5 million in previous year.

Selling and administrative expenses in 2010 amounted to Baht 492.5 million, a 22.8 percent decrease from Baht 637.9 million in 2009. This was attributable to the following factors:



- Depreciation and amortization amounted to Baht 29.2 million in 2010, a 1.2 percent decrease from Baht 29.6 million in 2009.
- Other selling and administrative expenses amounted to Baht 463.2 million in 2010, a 23.8 percent decrease from Baht 608.3 million in 2009.

As a result of the foregoing, our total expenses in 2010 were Baht 29,560.0 million, a 0.1 percent decrease from Baht 29,573.1 million in last year.

#### ***Profit Before Finance Costs and Income Tax***

As a result of the foregoing, our profit before finance costs and income tax in 2010 was Baht 8,319.2 million, an increase of 39.8 percent from Baht 5,951.8 million in 2009.

#### ***Finance costs***

Our finance costs in 2010 were Baht 1,487.1 million, an increase of 38.2 percent from Baht 1,076.3 million in 2009. The finance costs consist mainly of interest expenses and financial fee.

Our interest expenses in 2010 were Baht 1,421.3 million, an increase of 40.0 percent from Baht 1,015.6 million in 2009 mainly due to the higher net outstanding debt at Glow Energy, uncapitalized portion of interest expenses of new borrowing acquired for investment in new expansion projects, and consolidation of interest expense of HHPC for the whole period in 2010.

#### ***Income Tax Expenses***

Our income tax expenses in 2010 were Baht 614.5 million, an increase of 7.5 percent from Baht 571.6 million in 2009. This increase was partly due to the taxable Other Income of Glow Energy and the expiration of BOI tax exemption of some generating units.

#### ***Profit After Tax***

As a result of the foregoing, our profit after tax in 2010 amounted to Baht 6,217.6 million, a 44.5 percent increase from Baht 4,303.9 million in 2009.

#### ***Minority Interest***

There was a net profit attributed to minority interest of Baht 502.1 million in 2010 an increase of Baht 385.3 million from Baht 116.8 million in 2009.

#### ***Net Profit***

As a result of the foregoing, our net profit in 2010 was Baht 5,715.5 million, a 36.5 percent increase from Baht 4,187.1 million in 2009.

#### ***Normalized Net Profit***

In 2010, our normalized net profit, which was net income excluding Baht 1,201.8 million unrealized foreign exchange gain<sup>5</sup> was Baht 4,513.7 million an increase of 19.2 percent from Baht 3,786.0 million in 2009. This normalized net profit is the basis used to determine our dividend distribution.

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<sup>5</sup> Excluded unrealized gain/loss attributed to minority shareholders in subsidiaries.

*Auditor's remuneration for the period of 1 January 2010 to 31 December 2010 consists of*

*Unit: Baht*

	The Company	Subsidiaries
Audit fee	1,888,826.00	6,551,476.00
Non-audit fee		
- Review of Financial ratio	250,000.00	-
- Review of Package	1,038,116.00	505,256.00
- Professional fee for the additional scope of work	200,000.00	100,000.00
- Other	-	-





# Audit Committee's Report

## TO: THE SHAREHOLDERS

### Glow Energy Public Company Limited ("the Company")

The Audit Committee is composed of three independent directors:

- Mr. Kovit Poshyananda Chairman
- Mr. Vitthaya Vejajiva Member; and
- Ms. Supapun Ruttanaporn Member

Company's internal audit function acts as the audit committee secretary.

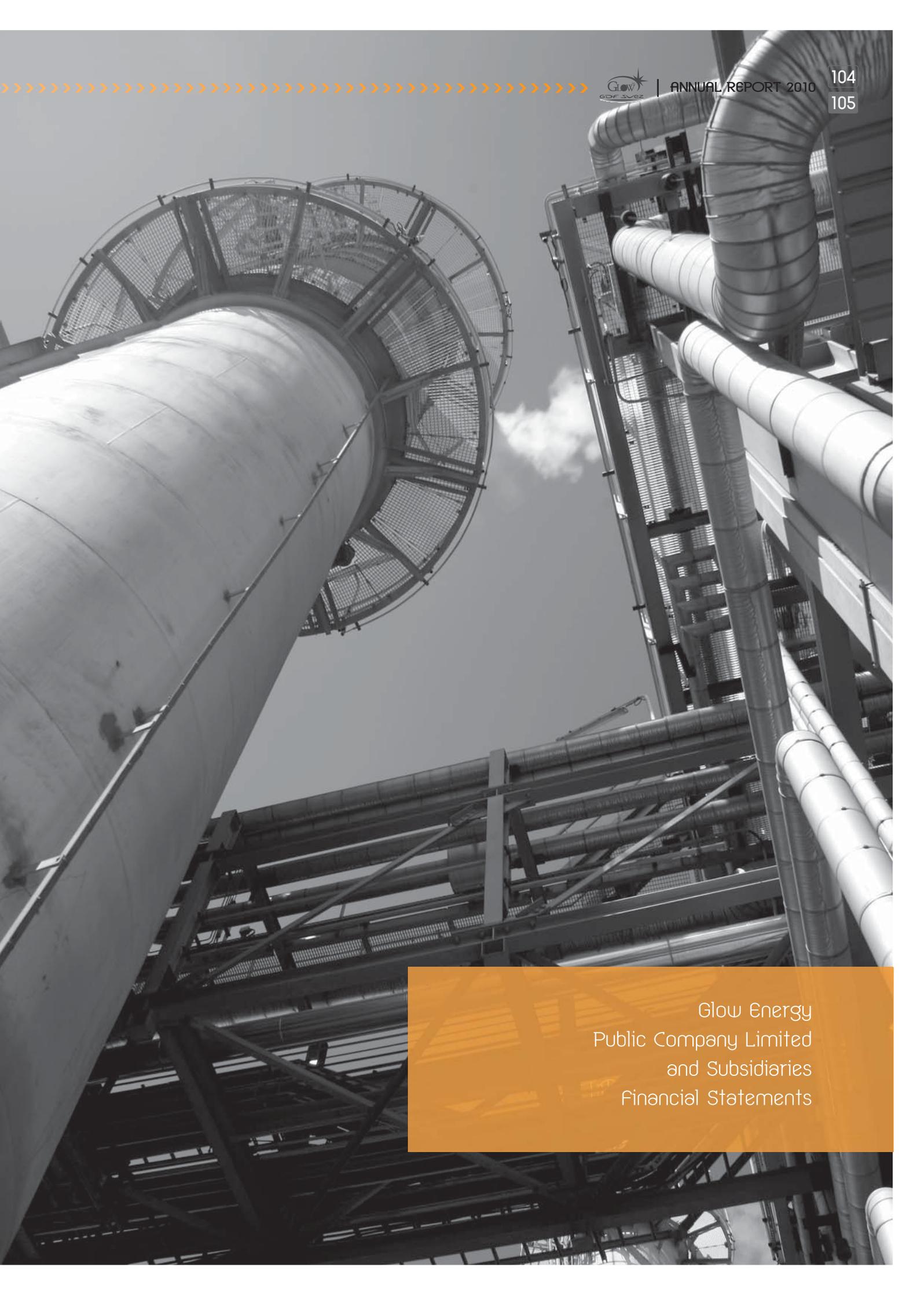
During the year ended 31 December 2010, the Audit Committee held four meetings and performed their duties and responsibilities in accordance with the Audit Committee Charter as follows:

1. Independently reviewed the quarterly and annual financial statements, and proposed them for the Board's approval. The Audit Committee agreed with the external auditor that the Company's financial statements represented the Company's financial position and financial performance fairly, in all material respects, in accordance with generally accepted accounting principle.
2. Reviewed the adequacy and effectiveness of the internal control systems and the internal audit function with the external auditors and internal auditors, and found no material weaknesses in internal controls impacting the financial statements.
3. Reviewed compliance with the Securities and Exchange Act, Stock Exchange of Thailand regulations, and other relevant laws and regulations of Thailand. The Audit Committee deemed that the Company complied with all related laws and regulations without material weaknesses.
4. Considered and proposed on the appointment of the external auditors including the audit fee.
5. Reviewed and approved the internal audit plan and evaluated the performance of the internal auditor.
6. Reviewed company risks as identified by the internal auditor and management, and also reviewed that the risk management applied by the management was appropriate.
7. Reviewed the potential conflicts of interest transactions including the disclosure on these transactions. The Audit Committee deemed that entering into these transactions of the Company complied with the law and the Stock Exchange of Thailand's regulation, and were reasonable and most beneficial to the Company.
8. Reviewed the Related Party Transaction Policy and the revised Insider Trading Policy. The Audit Committee deemed that these policies were appropriate.
9. Reviewed the internal audit report on the efficiency of the internal control of the electronic system, and found no material weaknesses in the internal controls.
10. Reviewed the whistleblowing process, and found that it was appropriate.
11. Reviewed the Corporate Governance Policy to ensure that it was compliant with all the Stock Exchange of Thailand guideline and relevant best practices.

The Audit Committee has not been reported of any material weaknesses in the Company internal control system. Moreover, as a subsidiary of GDF SUEZ S.A., a company listed overseas, the Company is required to comply with the internal control requirements under the French Financial Securities Law (Loi de Sécurité Financière-"LSF") and with the European Union regulation (European Directive). The LSF French Law requires that the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of GDF SUEZ, the major shareholder of Glow, attest on the quality of internal control over financial reporting for the year ended 2010 Financial Statements. In order to support their signature, GDF SUEZ is requesting a back-up attestation from the CEO and CFO of the Company since 2006.

The Audit Committee agreed to propose Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. appointing Ms. Thanawan Anuratbodee, CPA registration no. 3440 or Mr. Niti Jungnitnirund, CPA registration no. 3809 or Mr. Montree Panichakul, CPA registration no. 3461 as the external auditors of the Company for the year ending 31 December 2011 together with the audit fee to the Board of Directors to further propose to the Annual General Meeting of Shareholders for approval.

**MR. KOVIT POSHYANANDA**  
Chairman of the Audit Committee  
Glow Energy Public Company Limited



Glow Energy  
Public Company Limited  
and Subsidiaries  
Financial Statements



# Report of the Independent Certified Public Accountants

## TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS GLOW ENERGY PUBLIC COMPANY LIMITED

We have audited the consolidated balance sheets of Glow Energy Public Company Limited and its subsidiaries and the separate balance sheets of Glow Energy Public Company Limited as at December 31, 2010 and 2009, and the related consolidated and separate statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Glow Energy Public Company Limited and its subsidiaries and of Glow Energy Public Company Limited, as at December 31, 2010 and 2009, and the results of operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

**THANAWAN ANURATBODEE**

Certified Public Accountant (Thailand)

Registration No. 3440

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 11, 2011

**GLOW ENERGY  
PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

As at December 31, 2010 and 2009

## Balance sheets

Unit : Baht

	Notes	Consolidated financial statements		The Separate financial statements	
		2010	2009	2010	2009
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	8,704,436,891	7,137,482,606	1,854,445,111	3,471,897,955
Temporary investments	6	1,748,425,681	1,161,944,169	-	7,686,453
Trade accounts receivable, net	7, 19	3,546,412,356	4,748,742,721	1,275,940,040	1,282,016,194
Short-term loans to related parties	19	11,043,303	233,474,434	1,279,249	401,969,885
Interest receivable from related parties	19	-	5,336,063	23,214,200	25,812,605
Inventories, net	8	2,447,813,006	2,155,147,808	388,681,007	289,778,156
Other current assets					
Prepaid expenses		153,772,634	134,724,129	29,051,226	23,124,259
Advance payment		405,872,767	124,488,792	11,354,274	8,106,878
Others		699,584,387	361,725,668	457,414,572	136,111,313
<b>Total Current Assets</b>		<b>17,717,361,025</b>	<b>16,063,066,390</b>	<b>4,041,379,679</b>	<b>5,646,503,698</b>
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	9	-	-	24,696,058,855	19,889,308,844
Long-term investments in others		1,500,000	1,500,000	1,500,000	1,500,000
Long-term loans to related parties	10, 19	-	-	4,059,684,060	5,033,684,060
Property, plant and equipment, net	11	88,316,841,570	67,157,542,490	28,659,563,844	22,402,026,580
Other non-current assets, net	12	1,290,812,058	1,264,750,839	355,438,141	299,587,840
<b>Total Non-Current Assets</b>		<b>89,609,153,628</b>	<b>68,423,793,329</b>	<b>57,772,244,900</b>	<b>47,626,107,324</b>
<b>TOTAL ASSETS</b>		<b>107,326,514,653</b>	<b>84,486,859,719</b>	<b>61,813,624,579</b>	<b>53,272,611,022</b>

Notes to the financial statements form an integral part of these statements



**GLOW ENERGY  
PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

As at December 31, 2010 and 2009

## Balance sheets (Continued)

Unit : Baht

	Notes	Consolidated financial statements		The Separate financial statements	
		2010	2009	2010	2009
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade accounts payable	19	3,057,905,294	2,690,571,106	850,021,311	1,019,380,957
Current portion of finance lease payables	13	16,441,100	17,091,278	3,378,055	6,317,580
Current portion of long-term loans	15	3,802,540,713	946,236,709	3,031,165,800	-
Current portion of debentures	16	-	3,490,000,000	-	3,490,000,000
Current portion of long-term loans from a related party	14, 19	-	13,392,669	-	-
Advances from related parties	19	27,226,303	28,107,414	47,754,373	65,353,929
Other current liabilities					
Other payables		69,268,093	29,235,088	50,337,609	10,057,300
Accounts payable - acquisition of assets		863,921,107	447,767,592	744,042,561	387,615,131
Accrued interest expense		571,337,435	379,127,561	290,523,946	210,564,057
Accrued expenses		641,950,847	337,407,984	122,567,823	90,059,162
Value added tax payable		127,838,994	147,539,601	15,643,774	2,945,990
Corporate income tax payable		230,238,947	272,973,259	91,117,821	168,329,273
Others		201,213,519	180,064,296	88,727,918	56,014,525
<b>Total Current Liabilities</b>		<b>9,609,882,352</b>	<b>8,979,514,557</b>	<b>5,335,280,991</b>	<b>5,506,637,904</b>
<b>NON-CURRENT LIABILITIES</b>					
Finance lease payables	13	23,514,785	31,186,285	4,111,341	7,489,396
Long-term loans from a related party	14, 19	1,603,722,338	1,815,033,809	-	-
Long-term loans	15	43,019,980,634	35,433,620,816	14,999,999,996	15,961,432,896
Debentures	16	14,968,832,416	5,980,445,197	14,968,832,416	5,980,445,197
Other non-current liabilities	19	147,980,540	152,313,168	272,365,943	324,662,977
<b>Total Non-Current Liabilities</b>		<b>59,764,030,713</b>	<b>43,412,599,275</b>	<b>30,245,309,696</b>	<b>22,274,030,466</b>
<b>TOTAL LIABILITIES</b>		<b>69,373,913,065</b>	<b>52,392,113,832</b>	<b>35,580,590,687</b>	<b>27,780,668,370</b>

**GLOW ENERGY  
PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

As at December 31, 2010 and 2009

## Balance sheets (Continued)

Unit : Baht

	Notes	Consolidated financial statements		The Separate financial statements	
		2010	2009	2010	2009
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
1,482,865,035 ordinary shares of Baht 10 each		14,828,650,350	14,828,650,350	14,828,650,350	14,828,650,350
Issued and paid-up share capital					
1,462,865,035 ordinary shares of Baht 10 each		14,628,650,350	14,628,650,350	14,628,650,350	14,628,650,350
PREMIUM ON ORDINARY SHARES		2,935,427,353	2,935,427,353	4,786,986,727	4,786,986,727
PREMIUM ON BUSINESS COMBINATION					
UNDER COMMON CONTROL	9	(220,166,068)	(220,166,068)	-	-
TRANSLATION DIFFERENCES		(215,952,044)	(55,218,679)	-	-
RETAINED EARNINGS					
Appropriated					
Legal reserve	17	1,598,287,193	1,425,332,469	1,598,287,193	1,425,332,469
Unappropriated		15,058,200,572	12,233,645,665	5,219,109,622	4,650,973,106
TOTAL MAJOR SHAREHOLDERS' EQUITY		33,784,447,356	30,947,671,090	26,233,033,892	25,491,942,652
MINORITY INTEREST		4,168,154,232	1,147,074,797	-	-
TOTAL SHAREHOLDERS' EQUITY		37,952,601,588	32,094,745,887	26,233,033,892	25,491,942,652
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>107,326,514,653</b>	<b>84,486,859,719</b>	<b>61,813,624,579</b>	<b>53,272,611,022</b>



**GLOW ENERGY  
PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

For the years ended December 31, 2010 and 2009

# Statements of income

Unit : Baht

	Notes	Consolidated financial statements		The Separate financial statements	
		2010	2009	2010	2009
Revenues from sales	26	35,656,984,135	34,503,997,895	12,074,759,195	11,537,506,334
Costs of sales	21, 26	(29,058,689,421)	(28,926,975,703)	(9,537,510,298)	(9,390,701,636)
Gross profit		6,598,294,714	5,577,022,192	2,537,248,897	2,146,804,698
Other income					
Exchange gain		1,653,971,576	557,884,437	-	10,147,202
Interest income		73,673,224	60,205,639	217,756,328	235,619,229
Dividend income		1,500,000	1,050,000	1,998,474,994	2,093,755,593
Compensation on construction delay		293,189,078	77,010,045	293,189,078	77,010,045
Business interruption claims from insurer		116,619,029	223,341,055	-	-
Others		82,861,529	101,476,797	35,062,047	43,269,145
Profit before expenses		8,820,109,150	6,597,990,165	5,081,731,344	4,606,605,912
Administrative expenses	21, 26	(492,483,763)	(637,881,230)	(296,711,027)	(293,782,288)
Directors' remuneration		(8,412,647)	(8,279,922)	(8,412,647)	(8,279,922)
Other expenses					
Exchange loss		-	-	(24,649,862)	-
Total expenses		(500,896,410)	(646,161,152)	(329,773,536)	(302,062,210)
Profit before finance costs and income tax expense		8,319,212,740	5,951,829,013	4,751,957,808	4,304,543,702
Finance costs		(1,487,128,462)	(1,076,330,245)	(1,030,125,218)	(530,355,199)
Profit before income tax expense		6,832,084,278	4,875,498,768	3,721,832,590	3,774,188,503
Income tax expense	23	(614,518,725)	(571,612,036)	(262,738,114)	(345,801,232)
<b>NET PROFIT</b>		<b>6,217,565,553</b>	<b>4,303,886,732</b>	<b>3,459,094,476</b>	<b>3,428,387,271</b>
<b>PROFIT ATTRIBUTABLE TO</b>					
Equity holders of the parent		5,715,512,867	4,187,086,172	-	-
Minority interest		502,052,686	116,800,560	-	-
		6,217,565,553	4,303,886,732	-	-
<b>BASIC EARNINGS OF MAJOR SHAREHOLDER PER SHARE</b>	<b>BAHT</b>	<b>3.91</b>	<b>2.86</b>	<b>2.36</b>	<b>2.34</b>
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES</b>	<b>SHARES</b>	<b>1,462,865,035</b>	<b>1,462,865,035</b>	<b>1,462,865,035</b>	<b>1,462,865,035</b>

Notes to the financial statements form an integral part of these statements

**GLOW ENERGY  
PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

For the years ended December 31, 2010 and 2009

# Statements of changes in shareholders' equity

Unit : Baht

	Consolidated financial statements							
	Issued and paid-up share capital	Premium on ordinary shares	Premium on business combination under common control	Translation differences	Appropriated retained earnings - legal reserve	Unappropriated retained earnings	Minority interest	Total shareholders' equity
<b>BEGINNING BALANCE, JANUARY 1, 2009</b>	14,628,650,350	2,935,427,353	-	-	1,253,913,105	10,903,799,061	476,389,597	30,198,179,466
Minority interest of new acquired subsidiaries	-	-	-	-	-	-	641,467,165	641,467,165
Premium on acquisition of new subsidiaries	-	-	(220,166,068)	-	-	-	(52,670,005)	(272,836,073)
Translation differences of foreign subsidiary's financial statements	-	-	-	(55,218,679)	-	-	-	(55,218,679)
Dividend paid to minority of a subsidiary	-	-	-	-	-	-	(34,912,520)	(34,912,520)
Dividend paid (Note 18)	-	-	-	-	-	(2,685,820,204)	-	(2,685,820,204)
Net profit	-	-	-	-	-	4,187,086,172	116,800,560	4,303,886,732
Appropriation of net profit for legal reserve	-	-	-	-	171,419,364	(171,419,364)	-	-
<b>ENDING BALANCE, DECEMBER 31, 2009</b>	<b>14,628,650,350</b>	<b>2,935,427,353</b>	<b>(220,166,068)</b>	<b>(55,218,679)</b>	<b>1,425,332,469</b>	<b>12,233,645,665</b>	<b>1,147,074,797</b>	<b>32,094,745,887</b>
<b>BEGINNING BALANCE, JANUARY 1, 2010</b>	14,628,650,350	2,935,427,353	(220,166,068)	(55,218,679)	1,425,332,469	12,233,645,665	1,147,074,797	32,094,745,887
Share subscription received from minority of a subsidiary	-	-	-	-	-	-	2,588,250,000	2,588,250,000
Translation differences of foreign subsidiary's financial statements	-	-	-	(160,733,365)	-	-	-	(160,733,365)
Dividend paid to minority of subsidiaries	-	-	-	-	-	-	(69,223,251)	(69,223,251)
Dividend paid (Note 18)	-	-	-	-	-	(2,718,003,236)	-	(2,718,003,236)
Net profit	-	-	-	-	-	5,715,512,867	502,052,686	6,217,565,553
Appropriation of net profit for legal reserve	-	-	-	-	172,954,724	(172,954,724)	-	-
<b>ENDING BALANCE, DECEMBER 31, 2010</b>	<b>14,628,650,350</b>	<b>2,935,427,353</b>	<b>(220,166,068)</b>	<b>(215,952,044)</b>	<b>1,598,287,193</b>	<b>15,058,200,572</b>	<b>4,168,154,232</b>	<b>37,952,601,588</b>

Notes to the financial statements form an integral part of these statements



**GLOW ENERGY  
PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

For the years ended December 31, 2010 and 2009

# Statements of changes in Shareholders' equity

(Continued)

Unit : Baht

	The Separate financial statements				Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated retained earnings - legal reserve	Unappropriated retained earnings	
<b>BEGINNING BALANCE, JANUARY 1, 2009</b>	14,628,650,350	4,786,986,727	1,253,913,105	4,079,825,403	24,749,375,585
Dividend paid (Note 18)	-	-	-	(2,685,820,204)	(2,685,820,204)
Net profit	-	-	-	3,428,387,271	3,428,387,271
Appropriation of net profit for legal reserve	-	-	171,419,364	(171,419,364)	-
<b>ENDING BALANCE, DECEMBER 31, 2009</b>	<b>14,628,650,350</b>	<b>4,786,986,727</b>	<b>1,425,332,469</b>	<b>4,650,973,106</b>	<b>25,491,942,652</b>
<b>BEGINNING BALANCE, JANUARY 1, 2010</b>	14,628,650,350	4,786,986,727	1,425,332,469	4,650,973,106	25,491,942,652
Dividend paid (Note 18)	-	-	-	(2,718,003,236)	(2,718,003,236)
Net profit	-	-	-	3,459,094,476	3,459,094,476
Appropriation of net profit for legal reserve	-	-	172,954,724	(172,954,724)	-
<b>ENDING BALANCE, DECEMBER 31, 2010</b>	<b>14,628,650,350</b>	<b>4,786,986,727</b>	<b>1,598,287,193</b>	<b>5,219,109,622</b>	<b>26,233,033,892</b>

**GLOW ENERGY  
PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

For the years ended December 31, 2010 and 2009

## Statements of cash flows

Unit : Baht

	Consolidated		The Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	6,832,084,278	4,875,498,768	3,721,832,590	3,774,188,503
Adjustments for:				
Dividend received from subsidiaries/ other company	(1,500,000)	(1,050,000)	(1,998,474,994)	(2,093,755,593)
Depreciation	2,828,817,707	2,736,065,307	612,403,924	589,987,105
Amortization of other non-current assets	48,849,439	41,041,124	16,971,095	12,033,767
Amortization of deferred bond issue expenses	8,655,340	7,235,068	8,655,340	7,235,068
Write-off of fixed assets and other current assets	433	364,197	-	356,000
Impairment loss of fixed assets (reversal)	1,657,410	(11,509,450)	(7,593,458)	14,950,550
Loss on disposals of fixed assets	67,827,631	95,752,708	56,213,265	10,970,235
Amortization of other non-current liabilities	(63,946,564)	(76,054,289)	(54,115,916)	(67,059,825)
Unrealized exchange loss (gain)	(1,600,781,280)	(471,439,087)	33,364,964	1,944,591
Realized exchange gain from long-term loans repayment	(36,043,554)	(11,305,850)	-	-
Amortization of premium on forward foreign exchange contracts	-	1,407,795	-	-
Interest income	(73,673,224)	(60,205,639)	(217,756,328)	(235,619,229)
Interest expense	1,470,492,661	1,074,696,202	1,036,979,723	562,230,315
Profit from operations before changes in operating assets and liabilities	9,482,440,277	8,200,496,854	3,208,480,205	2,577,461,487
Operating assets (increase) decrease				
Trade accounts receivable	1,202,330,365	(301,058,569)	6,076,154	(17,200,975)
Advances to related parties	(9,626,514)	6,201,517	690,636	4,515,657
Inventories	(309,068,623)	17,644,848	(98,902,851)	(9,525,867)
Prepaid expenses	(19,048,505)	(12,155,423)	(5,926,967)	5,798,579
Advance payment	(281,383,975)	(110,565,485)	(3,247,396)	(7,622,833)
Other current assets	(283,599,367)	144,935,658	(286,446,284)	(55,833,183)
Other non-current assets	(72,356,077)	(113,240,568)	(65,330,269)	(91,439,990)

Notes to the financial statements form an integral part of these statements



**GLOW ENERGY  
PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

For the years ended December 31, 2010 and 2009

## Statements of cash flows (Continued)

Unit : Baht

	Consolidated		The Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES (Con't)</b>				
Operating liabilities increase (decrease)				
Trade accounts payable	365,236,659	(247,502,687)	(169,359,646)	217,730,107
Advances from related parties	(917,129)	4,759,052	(17,635,574)	33,749,604
Other payables	43,554,272	(6,970,440)	43,801,528	764,990
Accrued expenses	314,041,114	19,467,436	34,797,934	(2,209,252)
Value added tax payable	(19,700,607)	(6,810,543)	12,697,784	(8,721,490)
Other current liabilities	25,931,408	(80,596,274)	35,880,493	(617,694)
Other non-current liabilities	20,459,512	-	1,818,882	-
Cash received from operations	10,458,292,810	7,514,605,376	2,697,394,629	2,646,849,140
Cash received for interest	77,870,003	53,884,651	220,574,801	236,181,782
Cash paid for interest	(1,278,282,787)	(945,040,736)	(957,019,834)	(498,688,677)
Cash paid for income tax	(659,585,622)	(393,021,387)	(339,949,566)	(229,424,052)
Net cash provided by operating activities	8,598,294,404	6,230,427,904	1,621,000,030	2,154,918,193
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(Increase) decrease in Debt Service/ Maintenance				
Accrual Accounts	(615,277,108)	714,289,715	7,686,453	573,685,889
Increase in temporary investments	(7,750,907)	-	-	-
Cash paid for short-term loans granted to related parties	-	(232,058,040)	-	(500,000,000)
Cash received from related parties for short-term loans repayment	232,058,040	-	400,000,000	100,000,000
Cash received from subsidiaries for long-term loans repayment	-	-	974,000,000	386,000,000
Cash paid for investments in subsidiaries	-	(1,429,200,426)	(4,806,750,011)	(101)
Dividends received from subsidiaries/ other company	1,500,000	1,050,000	1,998,474,994	2,093,755,593
Cash paid for purchase of property, plant and equipment	(22,283,561,137)	(11,518,487,398)	(5,860,730,584)	(5,030,821,073)
Interest paid capitalised as power plants	(1,789,240,418)	(1,069,166,335)	(697,247,612)	(543,867,717)
Proceeds from sale of fixed assets	4,415,858	13,140,476	2,544,542	24,520,506
Cash paid for right to use of assets	-	(81,318,814)	-	(81,318,814)
Proceeds from long-term right to use of assets	22,843,745	59,929,630	-	-
Net cash used in investing activities	(24,435,011,927)	(13,541,821,192)	(7,982,022,218)	(2,978,045,717)

Notes to the financial statements form an integral part of these statements

**GLOW ENERGY  
PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

For the years ended December 31, 2010 and 2009

## Statements of cash flows (Continued)

Unit : Baht

	Consolidated		The Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts of short-term loans from financial institutions	50,000,000	289,000,000	-	-
Repayment of short-term loans from financial institutions	(50,000,000)	(289,000,000)	-	-
Repayment of finance lease payables	(44,266,027)	(41,643,333)	(6,317,580)	(4,393,413)
Cash received from the issue of new debentures	9,000,000,000	-	9,000,000,000	-
Payment of debentures issue expenses	(20,268,121)	-	(20,268,121)	-
Receipts of long-term loans from financial institutions	13,142,824,960	14,520,820,700	2,000,000,000	9,000,000,000
Payment of front-end fees	(17,441,300)	(25,500,000)	(17,441,300)	(25,500,000)
Repayment of long-term loans from a related party	(55,349,989)	(19,793,354)	-	-
Long-term loans repayment	(910,291,672)	(884,455,233)	-	-
Repayment of debentures	(3,490,000,000)	(2,310,000,000)	(3,490,000,000)	(2,310,000,000)
Dividend paid	(2,718,003,236)	(2,685,820,204)	(2,718,003,236)	(2,685,820,204)
Share subscription received from minority of a subsidiary	2,588,250,000	-	-	-
Dividend paid to minority of subsidiaries	(69,223,251)	(34,912,520)	-	-
Net cash provided by financing activities	17,406,231,364	8,518,696,056	4,747,969,763	3,974,286,383
Unrealized exchange loss of cash and cash equivalents	(2,559,556)	(8,855,097)	(4,400,419)	(2,245,621)
Net increase (decrease) in cash and cash equivalents	1,566,954,285	1,198,447,671	(1,617,452,844)	3,148,913,238
Cash and cash equivalents of acquired subsidiaries	-	258,534,985	-	-
Cash and cash equivalents as at January 1,	7,137,482,606	5,680,499,950	3,471,897,955	322,984,717
<b>Cash and cash equivalents as at December 31, (Note 5)</b>	<b>8,704,436,891</b>	<b>7,137,482,606</b>	<b>1,854,445,111</b>	<b>3,471,897,955</b>

Notes to the financial statements form an integral part of these statements



# Notes to the financial statements

*GLOW ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES*  
For the years ended December 31, 2010 and 2009

## 1. OPERATIONS OF THE COMPANY AND SUBSIDIARIES

### 1.1 THE COMPANY'S GENERAL INFORMATION

Glow Energy Public Company Limited ("the Company") registered as a public limited company under Thai laws on September 1, 1995, and was listed on the Stock Exchange of Thailand ("SET") in February 1996 until August 2002 and listed again on April 21, 2005. The Company operates in Thailand and principally engages in the generation and supply of electricity, steam and water for industrial use. The Company's office is located at 195 Empire Tower, 38<sup>th</sup> Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok.

As at December 31, 2010 and 2009, the Company's major shareholder is GDF SUEZ Energy (Thailand) Company Limited, holding 44.1 percent of the Company's share capital. As at December 31, 2009, GDF SUEZ Energy (Thailand) Company Limited is a wholly owned subsidiary of SUEZ-Tractebel Energy Holdings Cooperatieve U.A., holding 25 percent of the Company's share capital. Subsequently, on December 22, 2010, SUEZ-Tractebel Energy Holdings Cooperatieve U.A. was merged with GDF SUEZ Energy Asia, Turkey and Southern Africa B.V. Thus, GDF SUEZ Energy Asia, Turkey and Southern Africa B.V. becomes shareholder holding 100 percent of the shares in GDF SUEZ Energy (Thailand) Company Limited and 25 percent of the Company's shares.

As at December 31, 2010 and 2009, the Company's ultimate shareholder is GDF SUEZ S.A.

### 1.2 SUBSIDIARIES

The subsidiaries in No. 1) - 10) are companies registered in Thailand. The offices of companies No. 1) - 8) and 10) below are located at 195 Empire Tower, 38<sup>th</sup> Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok. The registered office of GHECO-One Company Limited (the subsidiary in No.9) is located at 11 I - 5 Road, Tambon Maptaphut, Amphur Muang Rayong, Rayong Province.

The subsidiary in No. 11) represents Houay Ho Power Company Limited ("HHPC"), which was incorporated in the Lao People's Democratic Republic (the "Lao PDR"). Under the Build Operate and Transfer Agreement dated December 18, 2001, HHPC has developed, constructed and operated a 150 MW hydroelectric power plant for a non-renewable term of 30 years.

The information of the subsidiaries is as follows:

Company's name	Registered date	Main business objective
1) Glow Company Limited	March 12, 1997	Provide management services, consultant services and management advisory for related companies
2) Glow SPP 1 Company Limited	December 6, 1994	Generate and supply electricity, steam and water for industrial use
3) Glow SPP 2 Company Limited	September 19, 1994	Generate and supply electricity and steam for industrial use
4) Glow SPP 3 Company Limited	August 9, 1991	Generate and supply electricity, steam and water for industrial use

Company's name	Registered date	Main business objective
5) Glow IPP Company Limited	March 12, 1997	Generate and supply electricity to Electricity Generating Authority of Thailand ("EGAT")
6) Glow Demin Water Company Limited	January 13, 1999	Generate and supply demineralised water and high quality water for the general industry and for the petrochemical industry (See Note 9 for entire business transfer)
7) Glow IPP 3 Company Limited	June 14, 2005	Develop power generation projects
8) Glow IPP 2 Holding Company Limited	October 16, 2007	Invest in other companies
9) GHECO-One Company Limited	April 27, 2007	Generate and supply electricity to EGAT (being under construction)
10) Houay Ho Thai Company Limited	August 30, 2001	Invest in other companies
11) Houay Ho Power Company Limited	May 20, 1996	Generate and supply electricity to EGAT and Electricity du Lao ("EDL")

## 2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

- 2.1 The consolidated and the separate financial statements have been prepared in Thai Baht currency and in compliance with the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements B.E. 2552" dated January 30, 2009 which is in accordance with the Regulation of The Stock Exchange of Thailand dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and result of operations of the listed companies, and in accordance with accounting standards and practices generally accepted in Thailand.
- 2.2 The consolidated financial statements included the accounts of the Company and its subsidiaries, after elimination of intercompany transactions, of which the percentage of shareholding is as follows:

	% of Shareholding	
	2010	2009
<b><u>Owned by the Company</u></b>		
Glow Company Limited	100	100
Glow SPP 2 Company Limited	100	100
Glow SPP 3 Company Limited	100	100
Glow IPP 3 Company Limited	100	100
Glow IPP 2 Holding Company Limited	100	100
<b><u>Owned by Glow Company Limited</u></b>		
Glow SPP 1 Company Limited	100	100
Glow IPP Company Limited	95	95
Glow Demin Water Company Limited	-	100
Houay Ho Power Company Limited	55	55
Houay Ho Thai Company Limited	49	49
<b><u>Owned by Glow IPP 2 Holding Company Limited</u></b>		
GHECO-One Company Limited	65	65
<b><u>Owned by Houay Ho Thai Company Limited</u></b>		
Houay Ho Power Company Limited	25	25



Glow Company Limited acquired Houay Ho Power Company Limited and Houay Ho Thai Company Limited on May 28, 2009 (see Note 9).

The entire business of Glow Demin Water Company Limited was transferred to Glow SPP 1 Company Limited on August 1, 2009 (see Note 9).

- 2.3 The Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRI), which are not yet effective for the current period as follows:

- 1) The following TAS, TFRS and TFRI which are effective on January 1, 2011:

**TAS**

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Venture
TAS 33 (Revised 2009)	Earnings Per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property

**TFRS**

TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

**TFRI**

TFRI 15	Agreements for the Construction of Real Estate
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2) The following TAS which are effective on January 1, 2013:

**TAS**

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management will adopt the above TAS, TFRS and TFRI relevant to the Company in the preparation of Company's financial statements when they become effective, except TAS 11 (Revised 2009), TAS 20 (Revised 2009), TAS 29, TAS 40 (Revised 2009), TFRS 6 and TFRI 15 which are not applicable to the Company's and its subsidiaries' business activities and the management is currently assessing the full impact on the Company's and its subsidiaries' financial statements in the period of initial application.

2.4 The financial statements have been prepared on an accrual basis under the measurement basis of historical cost except as disclosed in the accounting policies.

### 3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies of the Company and subsidiaries are summarized below:

#### 3.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash on hand, deposits at banks' savings accounts and current accounts, and short-term highly liquid investments with original maturities within three months.

#### 3.2 RECOGNITION OF REVENUES

Revenues from sales are recognized on an accrual basis, which represent the invoiced value, excluding value-added-tax, of products supplied after deducting discounts, which is calculated based on annual purchase volumes of each customer by the percentage of net sales as specified in the agreement.

Revenues from rendering of services are recognized when services are rendered.

Dividend is recognized as income when the dividend is declared.

#### 3.3 ALLOWANCE FOR DOUBTFUL ACCOUNTS

Allowance for doubtful accounts are based on estimated uncollectible debts.

#### 3.4 INVENTORIES

Inventories consisting of raw materials, spare parts, and supplies for machines are valued at the lower of cost and net realizable value. Cost is determined by weighted average method.

Provision is made for obsolete and slow moving inventories based on the items that expected not to be used.

#### 3.5 PROPERTY, PLANT AND EQUIPMENT

Property is stated at cost.

Plant and equipment are stated at cost net of accumulated depreciation.



Depreciation is calculated by reference to cost of assets on a straight-line basis over the following estimated useful lives:

	Years
Plant and parts of construction in progress which are already in operation	2.2 – 40
Building and leasehold improvements	5 – 20
Machinery, tools and plant equipment	5 – 20
Furniture, fixtures and office equipment	3, 5, 10
Motor vehicles	5

In 2010, Houay Ho Power Company Limited has changed the estimated useful life of its Generator Unit 2 resulting from major overhaul occurred in 2010 from 5 years to 9 years in order to be more appropriately reflect the current usage condition and consumption of the economic benefit which has no significant impact to the consolidated financial statements.

### 3.6 CONSTRUCTION IN PROGRESS

Construction in progress includes construction, borrowing costs that are directly attributable to loans for construction and other related costs directly to constructing the asset or bringing it to working condition.

### 3.7 BORROWING COSTS

Interest incurred during the construction or installation of machinery equipment and related to loans obtained for construction of the power plant and acquisition of machinery are capitalized as part of the cost of assets.

### 3.8 AMORTIZATION OF OTHER NON-CURRENT ASSETS

Deferred right to use grid system and transmission line are amortized on a straight-line basis over the period of power purchase agreements.

Deferred land lease fee is amortized on a straight-line basis over the period of the lease agreement from the date of commencing commercial operations.

Deferred land leasehold right is amortized on a straight-line basis over the period of the lease agreement of 30 years.

Deferred financial service fees are amortized on a straight-line basis over the period of the relevant financial agreements.

Deferred right to use pipe rack is amortized on a straight-line basis over the period of the relevant agreements.

### 3.9 LONG-TERM INVESTMENTS

Long-term investments in other company, which are non-marketable equity securities, are recorded as other investments at cost. The Company recognizes loss on impairment of securities in the statement of income in the period in which it incurs.

### 3.10 LONG-TERM LEASE

#### - Operating lease

Leases in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. The Company recognizes rentals applicable to such operating leases in the statement of income. The operating leases that are attributable to construction are capitalized as part of construction in progress.

#### - Finance lease

Leases in which substantially all the risks and rewards of ownership, other than legal title, are transferred to the Company and its subsidiaries are accounted for as finance leases. At inception, the fair value of the leased assets is recorded together with the obligation. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge and depreciation are recognized as expenses in the statement of income.

### 3.11 FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are converted into Baht at rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies and forward foreign exchange contracts at the end of the year are converted at the reference exchange rates established by the Bank of Thailand at the end of the year.

Both realized and unrealized foreign exchange gains or losses are recognized as revenues or expenses in the statements of income.

The Company translates assets and liabilities of foreign subsidiary acquired during the period into Baht using the closing rate at the balance sheet date, whereas the income statement is translated using the average rate during the period. Differences arising from currency translations have been shown under "translation differences" in shareholders' equity.

### 3.12 FINANCIAL INSTRUMENTS

Income and expense from interest rate swap agreements used to manage interest rate exposures are recognized as adjustments to interest income and expense in the statement of income. Such adjustments that are attributable to construction are capitalized as part of construction in progress.

Gains and losses on forward foreign exchange contracts and currency swap agreements designated as hedges of existing assets and liabilities are recognized as income or expense in the statement of income.

Gains and losses on forward foreign exchange contracts designated as hedges that are attributable to construction are capitalized as part of construction in progress.

Amounts to be paid and received are offset in the balance sheet.

Premiums or discounts on forward foreign exchange contracts are amortized to revenues or expenses over the contract period.



The Company and its subsidiaries have no policy to speculate in or engage in the trading of any derivative financial instruments.

### 3.13 PROVIDENT FUND

The Company, the subsidiaries and their employees jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. The funds are contributed by the employees, the Company and its subsidiaries, and will be paid to the employees upon termination in accordance with the rules of the provident fund.

Contributions for employees by the Company, under the provident fund scheme, are recorded as expenses when incurred.

### 3.14 INCOME TAX EXPENSE

Income tax expense is based on tax paid and accrued for the year.

### 3.15 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of ordinary shares issued during the year.

### 3.16 USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

## 4. SUPPLEMENTARY CASH FLOWS INFORMATION

Accounts payable - acquisition of assets for the years ended December 31, 2010 and 2009 are as follows:

*Unit : Baht*

	Consolidated financial statements		The Separate financial statements	
	2010	2009	2010	2009
Accounts payable - acquisition of assets brought forward	447,767,592	2,605,285,876	387,615,131	1,731,902,650
<u>Add</u> Purchase of fixed assets	22,708,472,685	9,371,457,987	6,213,907,752	3,686,671,585
Unrealized exchange loss (gain)	1,310,967	(1,007,610)	3,250,262	(131,531)
<u>Less</u> Cash payment	(22,283,561,137)	(11,518,487,398)	(5,860,730,584)	(5,030,821,073)
Reversal of accounts payable	-	(1,853,584)	-	(6,500)
Assets under finance lease	(10,069,000)	(7,627,679)	-	-
Accounts payable - acquisition of assets carried forward	863,921,107	447,767,592	744,042,561	387,615,131

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2010 and 2009 consist of:

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2010	2009	2010	2009
Cash	1,436,765	829,621	46,082	46,082
Bank deposits in current accounts	2,820,841	89,300,056	530,467	595,089
Bank deposits in savings accounts	8,550,179,285	6,387,352,929	1,803,868,562	3,171,256,784
Fixed deposits	100,000,000	360,000,000	50,000,000	-
Bills of exchange	50,000,000	300,000,000	-	300,000,000
	8,704,436,891	7,137,482,606	1,854,445,111	3,471,897,955

As at December 31, 2010 and 2009, cash and cash equivalents of Glow IPP Company Limited, GHECO-One Company Limited and Houay Ho Power Company Limited of Baht 3,517.0 million and Baht 1,708.2 million, respectively, are pledged as collateral to secure credit facilities obtained from financial institutions (see Note 15). However, the pledged accounts can be withdrawn in accordance with the objective and conditions stipulated in the loan agreements for use as working capital in the normal course of their business.

As at December 31, 2010 and 2009, bank deposits in savings accounts, fixed deposits and bills of exchange carry interest between 0.05 - 1.55 percent per annum and 0.05 - 1.25 percent per annum, respectively.

## 6. TEMPORARY INVESTMENTS

Temporary investments as at December 31, 2010 and 2009 consist of:

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2010	2009	2010	2009
Bank deposits in savings accounts	371,326,784	535,196,119	-	7,686,453
Fixed deposits	127,098,897	126,748,050	-	-
Bills of exchange	1,250,000,000	500,000,000	-	-
	1,748,425,681	1,161,944,169	-	7,686,453

Temporary investments of the Company represent bank deposits in Debt Service Accrual Account for repayment of the Company's debentures.

As at December 31, 2010 and 2009, temporary investments of Glow IPP Company Limited of Baht 1,621.3 million and Baht 1,027.5 million, respectively, are pledged as collateral to secure credit facilities obtained from financial institutions and are restricted for repayment of long-term loans and payment of major maintenance (see Note 15).

As at December 31, 2010 and 2009, fixed deposits of Houay Ho Power Company Limited of Baht 127.1 million and Baht 126.7 million, respectively, are pledged as collateral to secure credit facilities obtained from financial institutions (see Note 15). However, these can be withdrawn for use if the loan principal is reduced and approval is received from the lenders.



## 7. TRADE ACCOUNTS RECEIVABLE, NET

Trade accounts receivable, net as at December 31, 2010 and 2009 are classified by aging as follows:

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2010	2009	2010	2009
Trade accounts receivable, other companies				
Current	3,562,383,331	4,762,247,697	1,298,894,978	1,294,516,325
Past due				
Less than 3 months	318,111	3,007	318,111	-
3 - 6 months	-	593,988	-	-
6 - 12 months	7,051,262	-	7,051,262	-
More than 12 months	40,762,748	40,762,748	44,647	44,647
	3,610,515,452	4,803,607,440	1,306,308,998	1,294,560,972
<u>Less</u> Provision for contract discounts	(64,177,746)	(56,294,276)	(61,088,279)	(51,371,855)
	3,546,337,706	4,747,313,164	1,245,220,719	1,243,189,117
Trade accounts receivable from related parties				
Current	74,650	1,429,557	30,719,321	38,827,077
Total trade accounts receivable, net	3,546,412,356	4,748,742,721	1,275,940,040	1,282,016,194

The above trade accounts receivable outstanding more than 12 months is due from Electricity Generating Authority of Thailand of Baht 40.6 million (see Note 27.2.2.2).

## 8. INVENTORIES, NET

Inventories, net as at December 31, 2010 and 2009 consist of:

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2010	2009	2010	2009
Raw material - coal	633,037,087	442,132,832	-	-
Raw material - oil	219,558,397	225,030,303	-	-
Spare parts and supplies for machines	1,595,217,522	1,487,984,673	388,681,007	289,778,156
Total inventories, net	2,447,813,006	2,155,147,808	388,681,007	289,778,156

## 9. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries in the separate financial statements which use the cost method as at December 31, 2010 and 2009 are as follows:

Unit : Baht

Company's name	Paid-up Capital	Portion of Investment (%)	2010	2009
Glow Company Limited	4,401,668,111	100	7,114,824,414	7,114,824,403
Glow SPP 2 Company Limited	4,941,534,880	100	4,941,534,824	4,941,534,824
Glow SPP 3 Company Limited	7,373,389,550	100	7,379,374,525	7,379,374,525
Glow IPP 3 Company Limited	245,000,000	100	233,575,092	233,575,092
Glow IPP 2 Holding Company Limited	5,026,750,000	100	5,026,750,000	220,000,000
Total			24,696,058,855	19,889,308,844

### Dividend payment

The Board of Directors' meetings of the subsidiaries passed resolutions to distribute interim dividends from net profit for nine-month period ended September 30, 2010 as follows:

Company's name	BODs' meeting date	Baht per share	Amount (Million Baht)	Dividend payment date
Glow SPP 3 Company Limited	October 22, 2010	0.81	597.2	October 28, 2010
Glow Company Limited	November 10, 2010	0.69	303.7	November 16, 2010
Glow Company Limited	November 10, 2010	1.94	853.9	December 22, 2010
Glow SPP 1 Company Limited	November 10, 2010	1.40	301.0	November 16, 2010
Glow IPP Company Limited	November 10, 2010	3.15	897.8	December 22, 2010
Houay Ho Thai Company Limited	November 15, 2010	0.06	3.2	November 16, 2010

On August 16, 2010, the Board of Directors' meetings of Houay Ho Power Company Limited passed a resolution to distribute a pre-agreed dividend from excess cash and net profit for six-month period ended June 30, 2010 in the amount of USD 710,000. The dividend was paid in advance on July 29, 2010. The distribution of the pre-agreed dividend is in accordance with the Supplemental Shareholders Agreements dated December 19, 2002 and December 27, 2007, stipulating that a pre-agreed dividend is an amount of up to one-half (1/2) of thirteen percent (13%) of the paid-up equity. Depending on the excess cash available of up to thirty percent (30%) of such excess monies as defined in Shareholder Agreement, an additional dividend can be paid provided that such dividend account does not exceed the net profit of Houay Ho Power Company Limited.

On April 26, 2010, the annual general shareholders' meetings of the subsidiaries passed a resolution to distribute annual dividends for the year 2009. The dividends, including the dividends which were paid as interim dividends following the resolutions of the Board of Directors' meetings of the subsidiaries, are as follows:



Company's name	BODs' meeting date	Baht per share	Amount (Million Baht)	Dividend payment date
Glow Company Limited	November 10, 2009	0.45	198.1	December 15, 2009
Glow Company Limited	April 26, 2010*	0.55	242.1	May 17, 2010
Glow SPP 1 Company Limited	November 10, 2009	0.93	199.9	December 15, 2009
Glow SPP 2 Company Limited	November 10, 2009	0.22	108.7	December 15, 2009
Glow SPP 3 Company Limited	November 10, 2009	0.40	294.9	December 15, 2009
Glow IPP Company Limited	February 24, 2010	1.27	362.0	March 10, 2010

\* The annual general shareholders' meeting date

On April 29, 2009, the annual general shareholders' meetings of the subsidiaries passed a resolution to distribute annual dividends for the year 2008. The dividends, including the dividends which were paid as interim dividends following the resolutions of the Board of Directors' meetings of the subsidiaries, are as follows:

Company's name	BODs' meeting date	Baht per share	Amount (Million Baht)	Dividend payment date
Glow SPP 1 Company Limited	January 20, 2009	1.16	249.4	January 22, 2009
Glow SPP 2 Company Limited	August 14, 2008	0.20	98.8	August 28, 2008
Glow SPP 2 Company Limited	January 20, 2009	0.60	296.5	January 22, 2009
Glow SPP 3 Company Limited	August 14, 2008	1.28	943.8	August 28, 2008
Glow SPP 3 Company Limited	January 20, 2009	1.62	1,194.5	January 22, 2009
Glow Company Limited	August 14, 2008	0.68	299.3	August 28, 2008
Glow IPP Company Limited	-	2.45	698.3	May 20, 2009

#### **Capital increase**

On June 5, 2010, the extraordinary general shareholders' meeting of Glow IPP 2 Holding Company Limited passed a resolution to increase the registered capital from Baht 220 million to Baht 4,120 million by issuing 39 million new ordinary shares at par value of Baht 100 each, totaling Baht 3,900 million. The Company paid for the increased shares on June 7, 2010. Glow IPP 2 Holding Company Limited registered the capital increase with the Department of Business Development on June 18, 2010.

On October 28, 2010, the extraordinary general shareholders' meeting of Glow IPP 2 Holding Company Limited passed a resolution to increase the registered capital from Baht 4,120 million to Baht 6,135 million by issuing 20.15 million new ordinary shares at par value of Baht 100 each, totaling Baht 2,015 million. Glow IPP 2 Holding Company Limited registered the capital increase with the Department of Business Development on November 11, 2010. The amount of Baht 45 per share was called for payment on November 2, 2010 and Baht 55 per share will be called in March 2011.

On June 5, 2010, the extraordinary general shareholders' meeting of GHECO-One Company Limited passed a resolution to increase the registered capital from Baht 324 million to Baht 6,324 million by issuing 600 million new ordinary shares at par value of Baht 10 each, totaling Baht 6,000 million. GHECO-One Company Limited registered the capital increase with the Department of Business Development on June 17, 2010. The amounts of Baht 7.5 per share and Baht 2.5 per share were called for payment on June 7, 2010 and July 23, 2010, respectively.

On October 28, 2010, the extraordinary general shareholders' meeting of GHECO-One Company Limited passed a resolution to increase the registered capital from Baht 6,324 million to Baht 9,424 million by issuing 310 million new ordinary shares at par value of Baht 10 each, totaling Baht 3,100 million. GHECO-One Company Limited registered the capital increase with the Department of Business Development on November 10, 2010. The amount of Baht 4.5 per share was called for payment on November 2, 2010 and Baht 5.5 per share will be called in March 2011.

**Acquisition of subsidiaries under common control**

On December 19, 2008, Glow Company Limited entered into three Sale and Purchase Agreements as follows:

- 1) Purchase 4,296,810 ordinary shares (49 percent of the registered share capital) of Houay Ho Thai Company Limited ("HHTC") from GDF SUEZ Energy Asia Company Limited at the price of USD 1.3 million, being subject to adjustment under certain conditions in the agreement.
- 2) Purchase 300,000 ordinary shares (60 percent of the registered share capital) of Houay Ho Power Company Limited ("HHPC") from Stopper Finance B.V., a company registered in Netherlands, at the price of USD 37.8 million.
- 3) Sell 25,000 ordinary shares (5 percent of the registered share capital) of HHPC to HHTC at the price approximately USD 3.2 million. As a result, Glow Company Limited and HHTC shall own 55 percent and 25 percent, respectively, in HHPC.

On January 15, 2009, Glow Company Limited entered into a Subscription Agreement to agree that it will subscribe for the increased shares in HHTC, in portion of 49 percent, in an amount sufficient for HHTC to execute as follows:

- repay loan in full to SUEZ-Tractebel S.A. on the date which is not later than March 31, 2010. The loan price on March 31, 2009 is USD 10.0 million. Subsequently, on May 28, 2009, the loan was fully repaid by HHTC.
- pay the above purchase price of HHPC's ordinary shares of USD 3.2 million to Glow Company Limited.

On February 17, 2009, Glow Company Limited entered into the Lao Share Pledge Agreement with lenders of HHPC to pledge its shares in HHPC, on the date the above sale and purchase transactions are completed, to secure repayment of HHPC's obligation to the lenders.

All the above sale and purchase transactions were completed on May 28, 2009 and the adjusted purchase prices were executed by Glow Company Limited as follows:

- 1) Baht 41,140,092 was paid to GDF SUEZ Energy Asia Company Limited for the acquisition of 4,296,810 ordinary shares of HHTC.
- 2) USD 36,415,204 was paid to Stopper Finance B.V. for the acquisition of 300,000 ordinary shares of HHPC.
- 3) USD 3,034,600 (equivalent to Baht 106,587,290) was received from HHTC for sale of 25,000 ordinary shares of HHPC.

The excess of purchase prices compared to the net book value of HHPC and HHTC as at May 28, 2009 totaling Baht 220.2 million was presented as premium on the business combination under common control under shareholders' equity in the consolidated balance sheet as at December 31, 2009.



In addition, on the same date, Glow Company Limited paid for the increased shares of HHTC in the amount of Baht 215.6 million (21,560,000 new issued ordinary shares at par value of Baht 10 each).

#### **Entire business transfer**

On June 24, 2009, the Board of Directors' meetings of Glow SPP 1 Company Limited and Glow Demin Water Company Limited passed a resolution to transfer the entire business of Glow Demin Water Company Limited to Glow SPP 1 Company Limited on August 1, 2009. The transfer was approved by the shareholders' meeting of both companies on August 1, 2009. Glow Demin Water Company Limited registered the dissolution with the Department of Business Development on September 4, 2009.

### **10. LONG-TERM LOANS TO RELATED PARTIES**

This represents long-term loans granted to Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited under the Phase III Project Shareholder Loan Agreement dated September 29, 2003 and Novation Agreement dated December 25, 2006. The loans carry interest at a fixed percentage per annum and are repayable before each date on which a principal payment must be made in respect of the debentures of the Company.

On March 31, 2009, the Phase III Project Shareholder Loan Agreement dated September 29, 2003 above was amended to revise the repayment schedule and change the interest rate from a certain percentage per annum to MLR minus a certain percentage per annum of the loans granted to Glow SPP 2 Company Limited and Glow SPP 3 Company limited. The amendment is effective on March 31, 2009.

On June 30, 2010, Glow SPP 1 Company Limited, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and the Company entered into an amendment to the above agreements to revise the repayment schedule of the loans granted to all three subsidiaries and change the interest rate from a certain percentage per annum to MLR minus a certain percentage per annum of the loan granted to Glow SPP 1 Company Limited. The amendment is effective on June 30, 2010.

### **11. PROPERTY, PLANT AND EQUIPMENT, NET**

Property, plant and equipment, net consist of:

*Unit : Baht*

<b>Consolidated financial statements</b>								
	Land	Power and Water Plants	Building and leasehold improvement	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress/ equipment under installation	Total
<b>Cost</b>								
December 31, 2008	581,408,672	59,544,068,866	162,096,627	319,779,234	288,651,477	102,266,208	17,519,528,779	78,517,799,863
Assets of new subsidiary at acquisition date	-	8,096,473,365	18,390,013	2,378,088	7,336,423	20,554,508	-	8,145,132,397
Translation difference	-	(253,103,305)	(574,889)	(74,341)	(219,134)	(640,857)	-	(254,612,526)
Purchases	-	88,127,842	1,272,070	14,454,874	21,864,968	7,664,079	9,238,074,154	9,371,457,987
Capitalized interest	-	-	-	-	-	-	1,069,166,335	1,069,166,335
Capitalized amortization	-	-	-	-	-	-	27,251,240	27,251,240
Transferred to spare parts	-	-	-	-	-	-	(103,886,082)	(103,886,082)
Adjustments	-	-	-	-	(6,500)	-	(2,203,084)	(2,209,584)
Transfer	-	3,377,948,736	12,580,061	576,000	10,799,095	-	(3,401,903,892)	-
Disposals	-	(1,085,876,623)	(1,407,582)	(1,028,512)	(3,818,722)	(16,962,178)	-	(1,109,093,617)





As at December 31, 2010 and 2009, costs of equipment in the consolidated financial statements that were fully depreciated but still in use were Baht 4,716.6 million and Baht 6,618.2 million, respectively.

As at December 31, 2010 and 2009, costs of equipment in the separate financial statements that were fully depreciated but still in use were Baht 449.2 million and Baht 740.6 million, respectively.

All of the land, construction, machinery and equipment of the power plants of Glow IPP Company Limited, Houay Ho Power Company Limited and GHECO-One Company Limited have been mortgaged and pledged to secure credit facilities obtained from financial institutions (see Note 15).

## 12. OTHER NON-CURRENT ASSETS, NET

Other non-current assets, net as at December 31, 2010 and 2009 consist of:

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2010	2009	2010	2009
Deferred right to use grid system	259,493,270	259,493,270	-	-
Deferred right to use transmission line	175,297,983	175,297,983	-	-
Deferred land lease	137,837,180	137,837,180	-	-
Deferred land leasehold right	183,679,862	183,679,862	37,260,553	37,260,553
Deferred financial service fee	603,655,260	600,076,341	118,834,620	101,393,320
Deferred right to use pipe rack	81,318,814	81,318,814	81,318,814	81,318,814
Advance for purchase of spare parts	100,614,682	70,854,557	100,614,682	70,854,557
Refundable deposits	26,727,563	25,743,775	6,194,295	5,624,151
Others	152,037,046	84,551,462	63,944,111	28,944,111
Total other non-current assets	1,720,661,660	1,618,853,244	408,167,075	325,395,506
<u>Less</u> Accumulated amortization	(429,849,602)	(354,102,405)	(52,728,934)	(25,807,666)
Net	1,290,812,058	1,264,750,839	355,438,141	299,587,840
Amortization for the years ended December 31,				
- Expense in the income statements	48,849,439	41,041,124	16,971,095	12,033,767
- Capitalized as cost of assets	33,833,514	27,251,240	9,950,173	3,353,072

12.1 Deferred right to use grid system represents right to use grid system of Glow SPP 2 Company Limited and Glow SPP 3 Company Limited, whereby on September 27, 2000, both subsidiaries handed over and transferred the ownership of certain parts of the grid system to Electricity Generating Authority of Thailand ("EGAT") to comply with the power purchase agreement, under the regulation of purchasing electricity from small power producers.

12.2 Deferred right to use transmission line represents the costs paid by Glow IPP Company Limited for construction of transmission line in order to comply with the power purchase agreement, under the regulation of purchasing electricity from independent power producers. The ownership of the transmission line belongs to EGAT and Glow IPP Company Limited has the right to use the transmission line over the period of the power purchase agreement of 25 years.



12.3 Deferred land lease represents fees paid by Glow SPP 2 Company Limited and Glow SPP 3 Company Limited under the co-leasehold contract for the land at industrial harbour in Map Ta Phut Industrial Estate for a period of 28 years, from December 1, 1996 to November 30, 2024 in order to construct power plant project - Phase III. The proprietary rights on construction still belong to the subsidiaries after the expiration of the contract. In 2008, part of the land leasehold right of 35 rais was assigned to GHECO-One Company Limited.

12.4 Deferred land leasehold right represents the fees which were paid in relation to the assignment of the leasehold right for 57 rais of land to the Company, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and GHECO-One Company Limited. On August 30, 2006, Glow IPP 3 Company Limited entered into a Deposit and Lease Option Agreement with a local company, as a leasehold right owner, to transfer the leasehold right for land of approximately 62 rais to Glow IPP 3 Company Limited at the price totaling Baht 181 million to be used for the development of a new IPP project and a deposit of Baht 18.1 million was paid. On January 29, 2007 and March 19, 2007, the transferor issued two letters to reduce the area of the land and the leasehold transfer fee to be 57 rais and Baht 169 million, respectively.

On August 9, 2007, Glow IPP 3 Company Limited entered into an Assignment Agreement to assign all rights and obligations under the above Deposit and Lease Option Agreement to the Company. The Company is to pay the consideration, consisting of Assignment Fee of Baht 23.1 million and reimbursement of actual rental and utility fee already paid by Glow IPP 3 Company Limited to Industrial Estate Authority of Thailand (“IEAT”) from August 2006 to August 2007. The Company paid the consideration totaling Baht 27.1 million on August 30, 2007.

On August 21, 2007, the Company sent a notice to exercise the lease option and paid the remaining assignment fee to the leasehold right owner of Baht 150.9 million on December 18, 2007.

The Company, Glow SPP 2 Company Limited and Glow SPP 3 Company limited jointly entered into a land lease agreement for the above land with IEAT on December 19, 2007 (see Note 27.1.7).

On February 27, 2008, the Company entered into an assignment agreement to assign its rights and obligations under the above Deposit and Lease Option Agreement to Glow SPP 2 Company Limited and Glow SPP 3 Company Limited which is retroactively effective on December 19, 2007. The rights and obligations of the Company, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited are on a pro rata basis according to amount of land area of 12 rais, 0.259 rais and 44.736 rais, respectively. Subsequently, 44.736 rais of the land was assigned to GHECO-One Company Limited.

12.5 Deferred financial service fee of Baht 349.4 million represents the financial fees paid in connection with the project financing of GHECO-One Company Limited.

12.6 Deferred right to use pipe rack represents the fee paid for the right to lay the Company’s pipelines on the pipe racks of Asia Industrial Estate Company Limited (“AIE”) under the Piperack Agreement dated August 31, 2009 (see Note 27.1.7).

12.7 Advance for purchase of spare parts represent advance payment of EUR 1.6 million as described in Note 27.1.9.3. The spare parts are planned to be delivered by April 2012.

### 13. FINANCE LEASE PAYABLES

The Company and its subsidiaries entered into finance lease agreements for vehicles and office equipment, under which the balance of minimum lease payments as at December 31, 2010 and 2009 are as follows:

Unit : Baht

	Consolidated		The Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Less than 1 year	18,446,125	19,695,927	3,753,900	7,042,451
More than 1 year	24,706,786	33,302,990	4,228,126	7,982,026
Total minimum lease payment	43,152,911	52,998,917	7,982,026	15,024,477
<u>Less</u> Interest expense	(3,197,026)	(4,721,354)	(492,630)	(1,217,501)
Total minimum lease payment, net	39,955,885	48,277,563	7,489,396	13,806,976
<u>Less</u> Current portion of finance lease payables	(16,441,100)	(17,091,278)	(3,378,055)	(6,317,580)
	23,514,785	31,186,285	4,111,341	7,489,396

### 14. LONG-TERM LOANS FROM A RELATED PARTY

These represent long-term loans of Houay Ho Power Company Limited granted by SUEZ-Tractebel S.A. under the Supplemental Agreement on an Engineering Procurement Construction Contract Restructuring Agreement dated August 1, 2004 and Amendment Agreement dated December 27, 2007. The balance of the loans as at December 31, 2010 and 2009 is as follows:

Unit : Baht

Tranche	Repayment term	Interest rate	Currency	Consolidated	
				financial statements	
				2010	2009
A1	Ten equal annual installments from July 2004-2013	The greater of two percentage between LIBOR + a certain percentage per annum or a certain percentage per annum	USD	-	31,477,698
A2	Ten equal annual installments from July 2004-2013	MLR + a certain percentage per annum	Baht	-	22,092,977
B	Upon excessive cash available under the term and schedule of priorities until BOT agreement termination	Non-interest bearing until December 2014 and a certain percentage per annum from January 2015	USD	1,603,722,338	1,774,855,803
	Total			1,603,722,338	1,828,426,478
	<u>Less</u> Current portion of long-term loans			-	(13,392,669)
				1,603,722,338	1,815,033,809



## 15. LONG-TERM LOANS

Long-term loans of the Company and its subsidiaries as at December 31, 2010 and 2009 consist of:

	2010				2009				
	Terms	Repayable Commencement Date	Maturity Date	Currency	Facility	USD/YEN	Baht	USD/YEN	Baht
<b>The Company</b>									
1) Loan under Facility Agreement dated June 1, 2010	-	Jun. 30, 2014	Dec. 30, 2014	Baht	2,000,000,000	-	1,000,000,000	-	-
2) Loan under Facility Agreement dated May 7, 2010	-	Jun. 30, 2014	Dec. 30, 2014	Baht	1,000,000,000	-	1,000,000,000	-	-
3) Loan under Facility Agreement dated April 29, 2009	-	-	Jun. 30, 2013	Baht	1,000,000,000	-	1,000,000,000	-	1,000,000,000
4) Loan under Facility Agreement dated April 27, 2009	-	-	Dec. 30, 2013	Baht	1,000,000,000	-	1,000,000,000	-	1,000,000,000
5) Loan under Facility Agreement dated April 29, 2009	-	Jun. 30, 2013	Dec. 30, 2013	Baht	4,000,000,000	-	4,000,000,000	-	4,000,000,000
6) Loan under Facility Agreement dated December 18, 2008	-	-	Feb. 6, 2016	Baht	3,000,000,000	-	3,000,000,000	-	3,000,000,000
7) Loan under Facility Agreement dated July 15, 2008	-	-	Jul. 15, 2015	Baht	3,999,999,996	-	3,999,999,996	-	3,999,999,996
8) Loan under Facility Agreement dated October 2, 2007	-	-	Dec. 30, 2011	YEN	8,100,000,000	8,100,000,000	3,031,165,800	8,100,000,000	2,961,432,900
Total in the separate financial statements							18,031,165,796		15,961,432,896
Less Current portion of long-term loans in the separate financial statements							(3,031,165,800)		-
							14,999,999,996		15,961,432,896
<b>GHECO-One Company Limited</b>									
9) Loan under Facility Agreement dated October 9, 2008	- Baht loan	*	*	Baht	9,960,000,000	-	8,490,000,000	-	4,275,000,000
- USD loan	33 semi-annual installments			USD	460,000,000	453,600,000	13,742,401,680	239,000,000	8,010,515,200
	33 semi-annual installments								
<b>Glow IPP Company Limited</b>									
10) Loan from overseas commercial banks	25 semi-annual installments	Jun. 15, 2006	Jun. 15, 2018	USD	217,666,655	131,579,493	3,986,371,786	150,298,825	5,037,535,659
11) Loan from overseas financial institutions (Tranche EIB)	23 semi-annual installments	Jun. 15, 2003	Jun. 15, 2014	USD	61,500,000	26,075,859	790,002,040	31,047,067	1,040,598,349
<b>Houay Ho Power Company Limited</b>									
12) Loan from various financial institutions	34 semi-annual installments	Jun. 30, 2003	Dec. 31, 2019	Baht	1,200,000,000	-	658,125,000	-	710,773,935
- Tranche A	34 semi-annual installments	Jun. 30, 2003	Dec. 31, 2019	USD	68,000,000	37,293,750	1,124,455,045	40,277,250	1,344,001,486
							28,791,355,551		20,418,424,629
Total in the consolidated financial statements							46,822,521,347		36,379,857,525
Less Current portion of long-term loans in the consolidated financial statements							(3,802,540,713)		(946,236,709)
							43,019,980,634		35,433,620,816

\* See the attached details below.

### **THE COMPANY'S LOAN**

All the Company's loans are guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited. The Facility Agreements stipulate certain covenants such as the maintenance of tangible net worth, net debt to equity ratio and debt service coverage ratio.

#### **Facility Agreement dated June 1, 2010**

On June 1, 2010, the Company entered into a Facility Agreement with a local financial institution for a Baht 2,000 million loan, which is repayable on June 30, 2014 and December 30, 2014 in the amount of Baht 1,000 million and Baht 1,000 million, respectively. The loan carries interest at a certain percentage per annum. The first Baht 1,000 million loan was drawn down on December 30, 2010.

#### **Facility Agreement dated May 7, 2010**

On May 7, 2010, the Company entered into a Facility Agreement with a local financial institution for a Baht 1,000 million loan, which is repayable on June 30, 2014 and December 30, 2014 in the amount of Baht 500 million and Baht 500 million, respectively. The loan carries interest at a certain percentage per annum. The loan was drawn down on October 29, 2010.

#### **Facility Agreement dated April 29, 2009**

On April 29, 2009, the Company entered into a Facility Agreement with a local financial institution for a Baht 1,000 million loan, which is repayable on the date not later than June 30, 2013. The loan carries interest at a certain percentage per annum. The loan was drawn down on December 9, 2009.

#### **Facility Agreement dated April 27, 2009**

On April 27, 2009, the Company entered into a Facility Agreement with a local financial institution for a Baht 1,000 million loan, which is repayable on the date not later than December 30, 2013. The loan carries interest at a certain percentage per annum. The loan was drawn down on October 27, 2009.

#### **Facility Agreement dated April 29, 2009**

On April 29, 2009, the Company entered into a Facility Agreement with a local financial institution for a Baht 4,000 million loan, which is repayable on June 30, 2013 and December 30, 2013 in the amount of Baht 2,000 million and Baht 2,000 million, respectively. The loan carries interest at a certain percentage per annum. The loan was drawn down on May 28, 2009. The Company entered into an interest rate swap agreement for the loan (see Note 25.3.2).

#### **Facility Agreement dated December 18, 2008**

On December 18, 2008, the Company entered into a Facility Agreement with a local financial institution for a Baht 3,000 million loan, repayable on the date which is 7 years after the first drawdown date and carrying interest at THBFX plus a certain percentage per annum. The loan was drawn down on February 6, 2009. The Company entered into interest rate swap agreements for the loan (see Note 25.3.2).

#### **Facility Agreement dated July 15, 2008**

On July 15, 2008, the Company entered into a Facility Agreement with a group of financial institutions for a 7-year term loan of Baht 4,000 million, carrying interest at THBFX plus a certain percentage per annum. The Company entered into interest rate swap agreements for the loan (see Note 25.3.2).



As the financial market disruption, the lenders agreed to temporary apply the higher interest rates between BIBOR plus a certain percentage per annum or THBFIX plus a certain percentage per annum for the period starting from October 13, 2008.

#### **Facility Agreement dated October 2, 2007**

On October 2, 2007, the Company entered into a Facility Agreement with local branch of a foreign bank to obtain a Yen 8,100 million loan, carrying interest at JPY LIBOR plus a certain percentage per annum. The loan was drawn down on October 22, 2007 and used for prepayment of the Yen loan under the Facility Agreement dated February 16, 2005.

The Yen loan was swapped into Baht loan in the amount of Baht 2,964.6 million under the Cross Currency Rate Swap Agreement (see Notes 25.2.1 and 25.3.1).

### **THE SUBSIDIARIES' LOANS**

#### **GHECO-One Company Limited**

On October 9, 2008, GHECO-One Company Limited entered into a Facility Agreement with a group of financial institutions for project financing of its new 660 MW Coal Fired Power Plant. The loan facilities consist of:

- Thai Baht Term Loan Facility of Baht 9,960 million carries interest at THBFIX plus a certain percentage per annum and is repayable in 33 semi-annual installments of a portion specified in the agreement commencing on the date falling 12 months after the Project Commercial Operation Date.
- USD Term Loan Facility of USD 460 million carries interest at LIBOR plus a certain percentage per annum and is repayable in 33 semi-annual installments of a portion specified in the agreement commencing on the date falling 12 months after the Project Commercial Operation Date.

In the event the Market Disruption Event occurs, the interest rate of the above loans shall be the cost of funding plus a certain percentage per annum.

GHECO-One Company Limited entered into interest rate swap agreements for the loans (see Note 25.3.2).

On December 29, 2008, GHECO-One Company Limited entered into a VAT Facility Agreement with a local financial institution which is one of the above financial institutions for a Baht 350 million facility of VAT Advances and VAT Guarantee. The VAT Advances carry interest at MLR minus a certain percentage per annum and are repayable whenever the VAT is refunded from the Revenue Department and within two years after the Project Commercial Operation Date, which is not later than February 9, 2014. There was no outstanding balance of VAT Advances as at December 31, 2010 and 2009.

All loans of GHECO-One Company Limited are secured by the mortgage of the power plant and pledge of machinery upon the completion of the power plant construction, most of bank accounts and all shares of GHECO-One Company Limited and the assignment of all rights and obligations under various agreements relating to the project.

The Facility Agreement contains normal covenants related to various matters, such as the maintenance of debt service coverage ratio, the Project Commercial Operation Date, the maintenance of coal stockpile.

In addition, no later than one month after the Project Commercial Operation Date, GHECO-One Company Limited shall enter into the Working Capital Facility Agreement for a Baht 1,600 million loan.

### **Glow IPP Company Limited**

For the loan in No. 10), Glow IPP Company Limited entered into the Loan Transfer Coordination Agreement dated December 12, 2005, Comprehensive Amendment Agreement, Amended and Restated Common Terms Agreement and Commercial Bank Loan Facility Agreement dated December 15, 2005 with the overseas commercial banks as the Replacement Finance Parties. In respect to the Commercial Bank Loan Facility Agreement under the Comprehensive Amendment Agreement, the previous ERG Facility Agreement and the OND Facility Agreement were consolidated and the outstanding principal amounts were fully prepaid. As a consequence, as of the Amendment Date, total loan under the Commercial Bank Loan Facility Agreement was USD 151.2 million, including new granted loan of USD 8 million, and a further loan commitment of USD 66.5 million was still available. The loan carries interest at LIBOR plus a certain percentage per annum and payable semi-annually.

Glow IPP Company Limited entered into interest rate swap agreements for the above loan (see Note 25.3.2).

On March 1, 2006, the Company entered into a Dollar Debt Service Reserve Guarantee Agreement with an Offshore Collateral Agent, as agent for the lenders, of Glow IPP Company Limited to guarantee and undertake to the agent for the payments of Accrual Scheduled Debt Service when due, of which the guarantee facility amount shall not exceed 50 percent of the amount required for the Relevant Debt Service Reserve Account on that Repayment Date. This agreement is still effective as at December 31, 2010 and 2009.

For the loan in No. 11), Glow IPP Company Limited entered into loan agreements dated July 14, 2000 and amendment dated February 5, 2003 with a foreign financial institution for Tranche EIB of USD 61.5 million which carries interest at cost of fund plus a fixed percentage per annum or fixed interest rate per annum depending on the type of interest rate chosen at the drawdown date. Such type of interest rate is fixed throughout the period of each drawdown and payable semi-annually. The loan is repayable in 23 semi-annual installments at the rate specified in the agreement from June 2003 to June 2014.

On December 12, 2005, Glow IPP Company Limited entered into an EIB Guarantee Facility Agreement with various offshore banks to support its obligations under the EIB Finance Contract for an amount equal to 115 percent of the outstanding principal amount of the EIB Loans from time to time. This agreement is still effective as at December 31, 2010 and 2009.

All loans of Glow IPP Company Limited are secured by the mortgage of all of the land and construction and pledge of machinery, equipment, deposits at financial institutions and temporary investments and the assignment of all rights and obligations under various agreements relating to the projects. In addition, the loans are secured by the pledge of all shares of Glow IPP Company Limited, of which 95 percent are owned by Glow Company Limited and 5 percent by other shareholders.

The loan agreements contain normal covenants related to various matters, such as the maintenance of certain debt to equity ratio, the maintenance of certain debt service coverage ratio, and the project completion period.

On May 8, 2007, Glow IPP Company Limited entered into a Working Capital Facility Agreement with an overseas commercial bank. The facility of Baht Equivalent 600 million carries interest at THBFX and JPY LIBOR plus a fixed percentage per annum for the loan denominated in Baht and Yen, respectively. The loan is repayable at the end of each Interest Period as specified by Glow IPP Company Limited but not exceeding six months. As at December 31, 2010 and 2009, the loan has not been drawn down.



### Houay Ho Power Company Limited

These represent the loans obtained from various financial institutions in Thailand under the Facility Agreement dated December 18, 2002 and Amendment Agreement dated December 27, 2007. The loans are repayable in semi-annual installments from June 30, 2003 to December 31, 2019. The Tranche A loans carry interest at MLR plus a certain percentage per annum from 2008 to 2012 and MLR plus another percentage per annum from 2013 onwards. The Tranche B loans carry interest at LIBOR plus a certain percentage per annum from 2008 to 2012 and LIBOR plus another percentage per annum from 2013 onwards.

The loans are secured by the mortgage of all of the construction and pledge of machinery, equipment, all bank accounts, all shares of Houay Ho Power Company Limited owned by Glow Company Limited and Houay Ho Thai Company Limited and the assignment of all rights and obligations under various agreements relating to the power plant project.

Houay Ho Power Company Limited entered into an interest rate swap agreement for the Tranche B loan (see Note 25.3.2).

## 16. DEBENTURES

Debentures as at December 31, 2010 and 2009 consist of:

*Unit : Baht*

	Consolidated and the Separate financial statements	
	2010	2009
Debentures No. 1/2553	1,000,000,000	-
<u>Less</u> Deferred debentures issue expenses	(1,708,687)	-
Debentures No. 2/2553	8,000,000,000	-
<u>Less</u> Deferred debentures issue expenses	(15,150,483)	-
Debentures No. 1/2551	4,000,000,000	4,000,000,000
<u>Less</u> Deferred debentures issue expenses	(9,194,368)	(10,715,165)
Debentures No. 1/2550	2,000,000,000	2,000,000,000
<u>Less</u> Deferred debentures issue expenses	(5,114,046)	(5,914,144)
Debentures No. 2/2546	-	3,490,000,000
<u>Less</u> Deferred debentures issue expenses	-	(2,925,494)
Current portion of debentures	-	(3,490,000,000)
	14,968,832,416	5,980,445,197

The debentures No. 1/2553, No. 2/2553, No. 1/2551 and No. 1/2550 are guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited and stipulate certain covenants such as the maintenance of tangible net worth, net debt to equity ratio and debt service coverage ratio.

### Debentures No. 1/2553 and No. 2/2553

On March 31, 2010, the Company issued 1,000,000 units of unsubordinated and guaranteed debentures with a debentureholders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 1,000 million (Debentures No. 1/2553). The debentures have a 7-year term and will be due for redemption on March 31, 2017. The debentures have a coupon rate at a certain percentage per annum, payable semi-annually commencing September 30, 2010.

On April 8, 2010, the Company issued 8,000,000 units of unsubordinated and guaranteed debentures with a debentureholders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 8,000 million (Debentures No. 2/2553). The debentures have coupon rates at certain percentages per annum, payable semi-annually commencing October 8, 2010. The terms of the debentures are as follows:

Debentures No. 2/2553	Amount (Thousand Baht)	Redemption date
Series 1	3,000,000	December 8, 2012
Series 2	1,600,000	October 8, 2017
Series 3	2,000,000	April 8, 2019
Series 4	1,400,000	October 8, 2019

#### Debentures No. 1/2551

On June 5, 2008, the Company issued 4,000,000 units of unsubordinated and guaranteed debentures with a debentureholders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 4,000 million. These were offered exclusively to institutional and high net-worth investors. The debentures consist of:

- 1,500,000 units of Tranche 1, with 7 year term, due for redemption on June 5, 2015 and bearing coupon rate at a certain percentage per annum, payable semi-annually commencing December 5, 2008.
- 2,500,000 units of Tranche 2, with 10-year term, due for redemption on June 5, 2018 and bearing coupon rate at a certain percentage per annum, payable semi-annually commencing December 5, 2008.

#### Debentures No. 1/2550

On May 21, 2007, the Company issued 2,000,000 units of unsubordinated and guaranteed debentures with a debentureholders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 2,000 million. These were offered exclusively to institutional or large investors. The debentures have a 10-year term and will be due for redemption on May 21, 2017. The debentures have a coupon rate at a certain percentage per annum, payable semi-annually commencing November 21, 2007.

#### Debentures No. 2/2546

This represents 3,490,000 units of Tranche 2 of Debentures No. 2/2546 issued on December 11, 2003 under the Placement Agreement dated June 30, 2003 and amendments to the Placement Agreement dated September 19, 2003, September 26, 2003 and November 17, 2003 made with two local financial institutions. The debentures were issued at a price of Baht 1,000 each, totaling Baht 3,490 million, with a term of 7 years. The Debentures are repayable on December 11, 2010 and have coupon rate at a certain percentage per annum, payable semi-annually commencing June 11, 2004.

The debentures No. 2/2546 were issued for financial support to Glow SPP 2 Company Limited and Glow SPP 3 Company Limited. On September 29, 2003, both subsidiaries issued a letter of guarantee in respect of a joint obligation to guarantee and undertake to pay to the debentureholders representative in respect of the debentures.

The above debentures stipulate certain covenants such as the maintenance of tangible net worth, the maintenance of a certain debt to equity ratio, the maintenance of a certain debt service coverage ratio and keeping of trade-related secured indebtedness within a specified amount.



Under the Placement Agreement and Amendment Agreements, an amount of Baht 369 million was received by the Company from both financial institutions for the difference between pricing of debentures and bills of exchange, and Benchmark Pricing. The amount was included in other non-current liabilities in the balance sheets and is being accreted against interest expense over the term of debentures.

## 17. LEGAL RESERVE

- 17.1 Pursuant to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital and the reserve is not available for distribution as dividends.
- 17.2 According to the Civil and Commercial Code, subsidiary companies must appropriate to a reserve fund at each distribution of dividend at least one-twentieth of the profit arising from the business of that companies until the reserve fund reaches one-tenth part of capital of subsidiary companies. Such reserve is not available for distribution as dividends.

## 18. DIVIDEND PAYMENT

On August 11, 2010, the Board of Directors' meeting of the Company passed a resolution to distribute an interim dividend from profit for the six-month period ended June 30, 2010 at Baht 0.735 per share totaling Baht 1,075.2 million. The dividend was paid on September 10, 2010.

The annual general shareholders' meeting of the Company passed a resolution to distribute dividends as follows:

Shareholders' Meeting Date	Baht per share	Amount (Million Baht)	Dividend payment date
April 26, 2010	1.823	2,666.8	May 26, 2010 for Baht 1.123 per share and September 11, 2009 for Baht 0.70 per share
April 22, 2009	1.736	2,539.5	May 22, 2009 for Baht 1.136 per share and October 9, 2008 for Baht 0.60 per share

## 19. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with its related parties which have the same group of shareholders and directors. Those transactions occurred in the normal course of business based on the basis determined by the Company and its related parties.

Significant balances and transactions between the Company and its related parties are as follows:

Unit : Baht

Account name/ Company's name	Relationship	As at December 31,			
		Consolidated		The Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
<b>Trade accounts receivable from related parties</b>					
Glow SPP 2 Company Limited	Subsidiary	-	-	18,213,626	29,181,470
Glow SPP 3 Company Limited	Subsidiary	-	-	11,265,037	9,645,607
GHECO-One Company Limited	Subsidiary	-	-	1,240,658	-
GDF SUEZ Energy Asia Company Limited	Related company	74,650	1,429,557	-	-
		74,650	1,429,557	30,719,321	38,827,077
<b>Short-term loans to related parties</b>					
Glow SPP 2 Company Limited	Subsidiary	-	-	-	848,755
Glow SPP 3 Company Limited	Subsidiary	-	-	-	26,976
Glow Company Limited	Subsidiary	-	-	-	400,000,000
SUEZ-Tractebel S.A.	Related company	-	312,121	-	-
GDF SUEZ Energy Asia Company Limited	Related company	1,060	10,119	-	-
GDF SUEZ Energy Europe & International	Related company	1,291,905	1,094,154	1,279,249	1,094,154
Electrabel S.A.	Related company	9,750,338	-	-	-
Hemaraj Land and Development Public Company Limited	Related company	-	232,058,040	-	-
		11,043,303	233,474,434	1,279,249	401,969,885
<b>Interest receivable from related parties</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	1,713,468	1,497,206
Glow SPP 2 Company Limited	Subsidiary	-	-	3,802,501	4,286,857
Glow SPP 3 Company Limited	Subsidiary	-	-	17,698,231	18,551,830
Glow Company Limited	Subsidiary	-	-	-	1,476,712
Hemaraj Land and Development Public Company Limited	Related company	-	5,336,063	-	-
		-	5,336,063	23,214,200	25,812,605
<b>Long-term loans to related parties</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	690,000,000	690,000,000
Glow SPP 2 Company Limited	Subsidiary	-	-	872,951,197	1,162,951,197
Glow SPP 3 Company Limited	Subsidiary	-	-	2,496,732,863	3,180,732,863
		-	-	4,059,684,060	5,033,684,060
<b>Trade accounts payable to related parties</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	1,577,718	2,848,035
Glow SPP 2 Company Limited	Subsidiary	-	-	82,665,224	106,207,802
Glow SPP 3 Company Limited	Subsidiary	-	-	129,078,353	239,092,380
Electrabel S.A.	Related company	214,052,560	-	-	-
		214,052,560	-	213,321,295	348,148,217



Unit : Baht

		As at December 31,			
		Consolidated		The Separate	
		financial statements		financial statements	
Account name/ Company's name	Relationship	2010	2009	2010	2009
<b>Advances from related parties</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	71,795	1,630
Glow SPP 2 Company Limited	Subsidiary	-	-	1,835,295	3,646,996
Glow SPP 3 Company Limited	Subsidiary	-	-	1,748,863	17,642,073
Glow Company Limited	Subsidiary	-	-	24,019,360	22,355,588
Glow IPP Company Limited	Subsidiary	-	-	21,957	37,108
SUEZ-Tractebel S.A.	Related company	11,319,310	8,108,662	4,714,946	4,881,760
Tractebel Engineering S.A.	Related company	-	1,905,203	-	1,905,203
SUEZ-Tractebel Energy Holdings Cooperatieve U.A	Related company	3,993,640	4,264,220	3,993,640	4,264,220
GDF SUEZ Energy Asia Company Limited	Related company	11,913,353	13,829,329	11,348,517	10,619,351
		27,226,303	28,107,414	47,754,373	65,353,929
<b>Long-term loans from a related party</b>					
SUEZ-Tractebel S.A.	Related company	1,603,722,338	1,828,426,478	-	-
		1,603,722,338	1,828,426,478	-	-
<b>Advance received from a related party</b>					
GHECO-One Company Limited	Subsidiary	-	-	249,681,156	251,238,795
		-	-	249,681,156	251,238,795

Unit : Baht

		For the years ended December 31,			
		Consolidated		The Separate	
		financial statements		financial statements	
Account name/ Company's name	Relationship	2010	2009	2010	2009
<b>Sales</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	-	(11,173,070)
Glow SPP 2 Company Limited	Subsidiary	-	-	91,609,811	74,407,999
Glow SPP 3 Company Limited	Subsidiary	-	-	59,073,634	66,292,390
GHECO-One Company Limited	Subsidiary	-	-	1,159,494	-
<b>Interest income</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	25,826,605	24,840,000
Glow SPP 2 Company Limited	Subsidiary	-	-	41,413,895	47,948,540
Glow SPP 3 Company Limited	Subsidiary	-	-	114,822,710	125,640,391
Glow Company Limited	Subsidiary	-	-	3,501,918	11,180,822
Hemaraj Land and Development Public Company Limited	Related company	2,398,781	5,336,063	-	-
<b>Service income</b>					
GHECO-One Company Limited	Subsidiary	-	-	1,557,639	-
GDF SUEZ Energy Asia Company Limited	Related company	1,615,927	5,967,776	-	-

Unit : Baht

Account name/ Company's name	Relationship	For the years ended December 31,			
		Consolidated		The Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
<b>Sale of spare parts</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	276,611	473,656
Glow SPP 2 Company Limited	Subsidiary	-	-	2,392,907	1,491,607
Glow SPP 3 Company Limited	Subsidiary	-	-	1,043,939	952,173
Glow IPP Company Limited	Subsidiary	-	-	69,829	-
Glow Demin Water Company Limited	Subsidiary	-	-	-	6,778
GHECO-One Company Limited	Subsidiary	-	-	2,872	-
Houay Ho Power Company Limited	Subsidiary	-	-	-	207,851
<b>Purchases</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	3,577,304	7,311,208
Glow SPP 2 Company Limited	Subsidiary	-	-	190,951,038	143,509,954
Glow SPP 3 Company Limited	Subsidiary	-	-	593,377,971	479,446,562
<b>Service expenses</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	401,287	-
Glow SPP 3 Company Limited	Subsidiary	-	-	14,028,444	-
SUEZ-Tractebel S.A.	Related company	1,538,981	759,164	258,762	221,557
SUEZ-Tractebel Energy Holdings Cooperative U.A.	Related company	3,993,640	4,264,220	3,993,640	4,264,220
Tractebel Engineering S.A.	Related company	5,387,410	13,064,311	5,477,854	13,064,311
GDF SUEZ Energy Asia Company Limited	Related company	5,975,568	14,158,159	-	2,907,424
<b>Management fees</b>					
Glow Company Limited	Subsidiary	-	-	218,912,000	176,518,803
<b>Purchase of spare parts</b>					
Glow SPP 1 Company Limited	Subsidiary	-	-	151,574	14,877
Glow SPP 2 Company Limited	Subsidiary	-	-	5,055,460	4,457,426
Glow SPP 3 Company Limited	Subsidiary	-	-	2,794,385	1,483,576
Glow IPP Company Limited	Subsidiary	-	-	64,625	221,827
<b>Purchase of coal and limestone</b>					
Glow SPP 3 Company Limited	Subsidiary	-	-	470,480,795	20,837,640
Electrabel S.A.	Related company	876,868,648	-	-	-
<b>Dividend income</b>					
Glow Company Limited	Subsidiary	-	-	1,399,730,443	198,075,063
Glow SPP 2 Company Limited	Subsidiary	-	-	-	405,205,852
Glow SPP 3 Company Limited	Subsidiary	-	-	597,244,551	1,489,424,678
<b>Interest expense</b>					
SUEZ-Tractebel S.A.	Related company	2,781,521	2,681,447	-	-



No interest is charged on advances with related parties.

The Company and the related companies have determined prices of sales and purchases of electricity, steam and water to and from related companies based on average selling price charged to industrial customers of the Company and related companies.

Service expenses are determined based on the amounts stipulated in the agreements.

Management fees are determined based on the cost related to rendering services to the Company and its subsidiaries plus a certain margin.

Purchase and sale of spare parts, coal and limestone are determined based on cost plus a certain margin.

#### **Loan agreements**

On May 21, 2009, the Company entered into a loan agreement to lend a short-term loan of Baht 500 million to Glow Company Limited. The loan is subject to interest at MLR minus a certain percentage per annum and repayable within 12 months after the first drawdown date. The loan was drawn down on May 27, 2009 and repaid on March 25, 2010.

On May 6, 2009, Glow Company Limited entered into a loan agreement to lend a short-term loan of Baht 300 million to Hemaraj Land and Development Public Company Limited for the acquisition of the increased shares in HHTC. The loan is subject to interest at MLR minus a certain percentage per annum and repayable within 12 months after the first drawdown date. The loan of Baht 232.1 million was drawn down on May 28, 2009 and repaid on April 9, 2010.

#### **Shared facilities agreements**

The Company, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited entered into Shared Facilities Agreements to provide and allow the use of their facilities to GHECO-One Company Limited in operating its new power plant for a period of 25 years commencing from the date that will be agreed later. On December, 4, 2008, shared facilities fees totaling Baht 1,253.8 million were paid by GHECO-One Company Limited detailed as follows:

Company's Name	Agreement Date	Fees (Baht)
The Company	March 14, 2008	163,072,795
Glow SPP 2 Company Limited	March 14, 2008	28,955,184
Glow SPP 3 Company Limited	January 21, 2008	1,061,750,682

The fees are recorded as advance received in the balance sheet and will be recognized as income over the agreement period. The commencement date for the shared facilities agreement made between GHECO-One Company Limited and the Company is October 2, 2010.

In addition, GHECO-One Company Limited shall pay the annual fees to the Company, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited in the amount stipulated in the agreements.

#### **Emission credit assignment agreement**

On August 20, 2008, the Company and Glow SPP 3 Company Limited entered into an Emission Credit Assignment Agreement

with GHECO-One Company Limited whereby GHECO-One Company Limited shall pay the fees for the emission reduction equipments to the Company and Glow SPP 3 Company Limited of USD 2.5 million and USD 7.5 million, respectively. The fees were paid on December 4, 2008 and recorded as advance received in the balance sheet and will be recognized as income over agreement period.

In addition, GHECO-One Company Limited shall pay the annual fees to the Company and Glow SPP 3 Company Limited in the amount stipulated in the agreement.

## 20. CAPITAL MANAGEMENT

The Company and its subsidiaries' ("Group Company") objectives in respect of managing capital are as follows:

- To safeguard the Group Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders and,
- In order to provide adequate returns to shareholders, the projects invested by the Companies in the Group shall be prudently considered on the appropriate risk level.

The Group Company undertakes the capital management by setting a target to maintain the credit rating of the Group Company by not less than A minus following the principle of Credit Rating performed by TRIS. The Group Company manages its capital in relation to the proportional risk and manages the capital structure by separate funding to each type of project. The funding of the Independent Power Producer Project ("IPP") is separately managed from other projects in term of Project Financing. For the Cogeneration project, Group Company's source of fund shall pass through Glow Energy Public Company Limited by raising fund and grants the loan to the companies in the group for their projects.

Monitoring the capital of the Cogeneration project is considered based on the financial ratios of Group Company's performance excluding IPP's operating result. The financial ratios comprised Debt to Equity Ratio, Debt Service Coverage Ratio and Interest Coverage Ratio.

Monitoring the capital of the IPP is in accordance with the covenant on financial ratios stipulated in a loan agreement of each project.

## 21. EXPENSE BY NATURE

Significant expenses by nature for the years ended December 31, 2010 and 2009 are as follows:

*Unit : Baht*

	Consolidated financial statements		The Separate financial statements	
	2010	2009	2010	2009
Fuel costs	23,785,590,808	24,064,729,998	7,280,542,198	7,480,353,500
Maintenance expenses	857,493,234	844,677,812	374,246,242	311,982,490
Employee benefits expense	701,984,430	640,023,633	99,332,574	91,735,220
Depreciation and amortization	2,877,667,146	2,777,106,431	629,375,019	602,020,872



## 22. PROVIDENT FUND EXPENSE

Provident fund contributions made by the Company and its subsidiaries for their employees and recorded as expense in the income statements for the years ended December 31, 2010 and 2009 are as follows:

*Unit : Million Baht*

Company's name	Consolidated financial statements		The Separate financial statements	
	2010	2009	2010	2009
The Company	2.8	2.5	2.8	2.5
Glow SPP 1 Company Limited	1.2	1.1	-	-
Glow SPP 2 Company Limited	1.2	1.2	-	-
Glow SPP 3 Company Limited	0.5	0.4	-	-
Glow IPP Company Limited	1.2	1.1	-	-
Glow Company Limited	10.6	10.1	-	-
GHECO-One Company Limited	0.8	0.1	-	-

## 23. CORPORATE INCOME TAX

Corporate income tax is calculated from net taxable profit after adjusting entries under the Revenue Code and less tax losses carried forward of each company (if any).

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate reduction effective on August 7, 2008, the corporate income tax rate for listed companies in the Stock Exchange of Thailand has been reduced from 30 percent to 25 percent of net profit not exceeding Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008.

In accordance with the Supplemental Agreement of the Build Operate and Transfer Agreement ("BOT") dated December 18, 2001 entered into with the Government of Lao PDR, Houay Ho Power Company Limited shall be granted tax exemption privilege starting from the fiscal year of the date of Commercial Operation of September 3, 1999 as follows:

Periods	Percentage of tax applied on net income
- First five fiscal years (Sep 3, 1999 - Dec 31, 2003)	0
- Next seven fiscal years (Jan 1, 2004 - Dec 31, 2010)	3.5
- Next two fiscal years (Jan 1, 2011 - Dec 31, 2012)	6.5
- Thereafter Jan 1, 2013	15

## 24. PROMOTIONAL PRIVILEGES

The Company and all subsidiaries have been granted various promotional privileges under the Investment Promotional Act, B.E. 2520 by the Board of Investment under the promotion certificates as follows:

Company's name	Certificates		1 <sup>st</sup> Income Date	Privileges
	No.	Dated		
The Company	1413/2537	July 11, 1994	May 1995	a) to g)
	1392/2538	June 23, 1995	January 1996	a) to g)
	1206(2)/2547	March 9, 2004	July 2004	a) to g)
	1635(2)/2547	August 9, 2004	December 2005	a) to g)
	1609(2)/2550	June 18, 2007	November 2010	a) to g)
	2155/∅./2550	November 16, 2007	-	a) to b)
	1187(2)/2552	February 26, 2009	-	a) to g)
Glow Company Limited	1479/2546	September 4, 2003	-	a)
Glow SPP 1 Company Limited	1032/2539	January 22, 1996	September 1997	a) to g)
	1532/2539	July 24, 1996	July 1998	a) to g)
	1854/∅./2552	November 4, 2009	May 20, 1999	a), b), e)
	1855(2)/∅./2552	November 4, 2009	July 11, 2006	a) to g)
Glow SPP 2 Company Limited	1744/2539	November 6, 1996	August 1997	a) to g)
Glow SPP 3 Company Limited	1552/2540	August 22, 1997	August 1999	a) to g)
Glow IPP Company Limited	1526/2542	November 30, 1999	January 2003	a) to d)
GHECO-One Company Limited	1969(2)/2551	July 25, 2008	-	b) to g)

Subject to certain imposed conditions, the privileges include the following:

- a) Permission to own land in order to carry on the promoted activities as the Board may deem appropriate.
- b) Exemption of import duty on machinery, materials and supplies imported for production for domestic sales as approved by the Board.
- c) Exemption of corporate income tax on net profit for a period of eight years commencing from the date of earning operating income. In cases where the business incurs a loss during that period of exemption, the loss incurred in such period can be taken as a deduction from net profit of the years after the period of exemption, not exceeding five years.
- d) Exemption of income tax on dividends paid from the profit of the promoted operation over the above corporate income tax exemption period.
- e) An allowance of fifty percent of the normal rate of corporate income tax on net profit for a period of five years after the expiry date of the corporate income tax exemption period as described in c) above.
- f) Permission to deduct double the cost of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing from the date of earning operating income.
- g) Permission to deduct the cost of installation or construction of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.



The privileges under the promotion certificate No. 2155/๑./2550 of the Company were transferred from the remaining privileges under the promotion certificate No. 1222/2536 dated November 5, 1993 of Glow SPP 3 Company Limited as a consequence of selling its Phase 1 water plant to the Company in June 2007.

The privileges under the promotion certificates No. 1854/๑./2552 and No. 1855(2)๑./2552 of Glow SPP 1 Company Limited were transferred from the remaining privileges under the promotion certificates No. 1213/2542 dated May 21, 1999 and No. 1235(2)/2549 dated March 2, 2006, respectively, of Glow Demin Water Company Limited as a consequence of the entire business transfer of Glow Demin Water Company Limited to Glow SPP 1 Company Limited on August 1, 2009.

The Company has to comply with certain terms and conditions as stipulated in the investment promotion certificates.

All the Company's sales are domestic sales, which are allocated to promoted and non-promoted activities as follows:

*Unit : Baht*

#### The Separate financial statements

	2010			2009		
	Promoted activities	Non-promoted Activities	Total	Promoted activities	Non-promoted activities	Total
Revenues from sales	3,048,167,627	9,026,591,568	12,074,759,195	2,536,419,276	9,001,087,058	11,537,506,334

## 25. DISCLOSURE OF FINANCIAL INSTRUMENTS INFORMATION

### 25.1 CREDIT RISK

The Company and its subsidiaries are subject to significant concentrations of credit risk, as almost all sales are made to EGAT and companies in the petrochemical industry, the Company and its subsidiaries do not expect to incur material credit losses on their risk management or other financial instruments.

As at December 31, 2010 and 2009, the maximum exposure to credit risk of the Company and its subsidiaries is the carrying amount of the financial assets as stated in the balance sheets.

### 25.2 FOREIGN CURRENCY RISK

The exposure to foreign currency risk relates primarily to purchases of equipment, repairs and maintenance of power plants and loans denominated in foreign currencies. In order to hedge the foreign currency risk, the Company and its subsidiaries entered into currency swap agreements and forward foreign exchange contracts, of which the details are as follows:

25.2.1 On February 16, 2005, the Company entered into a cross currency interest rate swap agreement with a financial institution to swap the Company's long-term loan of Yen 8,100 million for a Baht 2,964.6 million loan. The term of the agreement is from February 18, 2005 to December 30, 2011. On September 4, 2007 and April 2, 2008, the Company and the financial institution agreed to amend the swap agreement (see Note 25.3.1).

25.2.2 As at December 31, 2010, the Company and its subsidiaries have outstanding forward foreign exchange contracts with financial institutions which are in relation with the construction of three new power plants, long-term parts and repair agreements and long-term service agreement as follows:

Unit : Million

Description	Value date	Contract amount		
		EUR	USD	Baht
<b>Construction of new power plants</b>				
<u>The Company</u>				
115 MW CFB Power Plant	January 14, 2011 and January 18, 2011	-	3.7	111.3
Combined cycle cogeneration Power Plant (Phase 5)	January 18, 2011	-	4.7	141.5
Combined cycle cogeneration Power Plant (Phase 5)	January 21, 2011 - November 10, 2011	8.4	-	403.0
Initial spare parts for Phase 5	January 18, 2011 - April 29, 2011	8.9	-	366.7
<u>GHECO-One Company Limited</u>				
660 MW Coal Fired Power Plant	March 31, 2011 - November 30, 2011	-	141.3	4,829.9
<b>Long-term parts and repair agreements</b>				
<u>Glow IPP Company Limited</u>				
Long-term parts and repair agreements	August 31, 2011 - January 31, 2018	79.1	103.2	-
Long-term parts and repair agreements	August 31, 2011 - October 31, 2011	-	4.3	136.9
<u>Glow SPP 1 Company Limited</u>				
Long-term parts and repair agreements	October 31, 2011 - September 20, 2018	15.8	20.2	-
Long-term parts and repair agreements	October 31, 2011 - February 29, 2012	-	0.5	15.6
<b>Long-term service agreement</b>				
<u>The Company</u>				
Mobilization fee	January 17, 2011 - July 31, 2012	4.4	-	176.7
Fixed fee	October 31, 2011 - November 30, 2020	3.5	-	143.6

Some of the forward foreign exchange contracts of the Company are guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited.

As at December 31, 2010 and 2009, the Company and its subsidiaries have net current liabilities in foreign currencies which are not hedged against foreign exchange rate risk as follows:

Foreign Currencies	Unit : Million	
	2010	2009
USD	12.9	3.6
EUR	7.9	1.1
CHF	0.1	0.1

### 25.3 INTEREST RATE RISK

Interest rate risk is the risk whereby future movements in market interest rates will have an effect on the operating results and cash flows of the Company and its subsidiaries. Financial instruments of the Company and its subsidiaries with floating interest rates comprise deposits at financial institutions, and long-term loans. In order to hedge interest rate risks of long-term loans, the Company and its subsidiaries entered into interest rate swap agreements, of which the details are as follows:



25.3.1 On February 16, 2005, the Company entered into a cross currency interest rate swap agreement with a financial institution (same agreement in Note 25.2.1) to swap interest at JPY LIBOR plus a certain percentage per annum for THB-THBFIX plus a certain percentage per annum. The term of the agreement is from February 18, 2005 to December 30, 2011.

On September 4, 2007, the Company and the financial institution agreed to amend the previous swap agreement by swapping interest at JPY LIBOR plus a certain percentage per annum for a certain percentage per annum. The amended swap agreement is effective on February 18, 2008 until December 30, 2011. Subsequently, on April 2, 2008, the previous swapped percentage per annum was amended to two different percentages per annum (i.e. a certain percentage per annum for February 18, 2008 to August 18, 2009 and another percentage per annum for August 18, 2009 to December 30, 2011).

25.3.2 As at December 31, 2010, the Company and its subsidiaries have outstanding interest rate swap agreements with financial institutions as follows:

*Unit : Million*

Agreement date	For	Notional amount	Swap interest		Term
			From	To	
<b>The Company</b>					
May 16, 2008	Debentures No. 1/2550	800.0	A certain percentage per annum	Different certain percentages per annum, per term	May 21, 2008 - May 21, 2010 and May 21, 2010 - May 21, 2017
August 21, 2008 and September 11, 2008	Baht loan	4,000.0	THBFIX	A certain percentage per annum	October 15, 2008 - July 15, 2015
March 16, 2009	Baht loan	1,000.0	THBFIX + a certain percentage per annum	Different certain percentages per annum, per term	February 6, 2009 - August 6, 2009 and August 6, 2009 - February 6, 2016
April 24, 2009	Baht loan	1,000.0	THBFIX + a certain percentage per annum	Different certain percentages per annum, per term	February 6, 2009 - August 6, 2009 and August 6, 2009 - February 8, 2016
April 29, 2009	Baht loan	1,000.0	THBFIX + a certain percentage per annum	Different certain percentages per annum, per term	February 6, 2009 - August 6, 2009 and August 6, 2009 - February 8, 2016
June 16, 2009	Yen loan	8,100.0	JPY 1m LIBOR + a certain percentage per annum	JPY 6m LIBOR flat per annum	August 18, 2009 - August 18, 2011
July 2, 2009	Baht loan	2,000.0	A certain percentage per annum	Different certain percentages per annum, per term	July 1, 2009 - December 30, 2009 and December 30, 2009 - December 30, 2013

Unit : Million

Agreement date	For	Notional amount	Swap interest		Term
			From	To	
<b>Glow IPP Company Limited</b>					
December 9, 2005	USD loan	52.8	LIBOR	A certain percentage per annum	December 15, 2008 - June 15, 2018
November 3, 2008	USD loan	78.8	LIBOR	A certain percentage per annum	June 16, 2008 - December 16, 2013
<b>GHECO-One Company Limited</b>					
November 2008	USD loan	453.6	LIBOR	A certain percentage per annum	November 2008 - October 2028
November 2008	Baht loan	9,825.0	THBFIX	A certain percentage per annum	November 2008 - October 2021
November 2009 - December 2009	USD loan	102.1	LIBOR	A certain percentage per annum	October 2011 - January 2027
June 2010	USD loan	34.0	LIBOR	A certain percentage per annum	October 2011 - January 2027
August 2010	Baht loan	2,947.5	THBFIX	A certain percentage per annum	October 2011 - January 2027
<b>Houay Ho Power Company Limited</b>					
April 9, 2010	USD loan	37.3	LIBOR	A certain percentage per annum	March 31, 2010 - December 31, 2019

Some of interest rate swap agreements of the Company are guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited.

#### 25.4 FAIR VALUE OF FINANCIAL INSTRUMENTS

Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation" requires certain fair value disclosures. Considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company and its subsidiaries in estimating fair value of financial instruments.



Cash and cash equivalents, temporary investments, trade accounts receivable, short-term loans to related parties, interest receivable from related parties, other current assets, trade accounts payable, advances from related parties, other current liabilities and long-term loans with floating interest rate; the fair values approximate their carrying values.

Long-term loans bearing fixed interest rates and finance lease payables; the fair values approximate the calculated values based on the discounted cash flow method using current average interest rate.

As at December 31, 2010 and 2009, long-term loans bearing fixed interest rates, finance lease payables, currency swap agreements, interest rate swap agreements, forward foreign exchange contracts and debentures; the carrying values and fair values are as follows:

Unit : Million Baht

Description	December 31, 2010			
	Consolidated financial statements		The Separate financial statements	
	Carrying value	Fair value Liability	Carrying value	Fair value Liability
Long-term loan	8,000.0	8,345.4	8,000.0	8,345.4
EIB loan	790.0	883.1	-	-
Finance lease payables	40.0	40.1	7.5	7.5

Unit : Million

Description	December 31, 2010 Consolidated financial statements								
	Carrying value		Contract amount				Gain (Loss) on fair value		
	Yen	Baht	Yen	EUR	USD	Baht	USD	EUR	Baht
Cross currency interest rate swap agreement	8,100.0	2,964.6	-	-	-	-	-	-	(173.9)
Forward foreign exchange contracts									
- USD / Baht	-	-	-	-	154.6	5,235.2	(18.0)	-	-
- EUR / Baht	-	-	-	25.2	-	1,090.0	-	(1.9)	-
- EUR / USD	-	-	-	94.9	123.4	-	-	2.8	-
Interest rate swap agreements									
- Baht	-	-	-	-	-	22,572.5	-	-	(718.4)
- USD	-	-	-	-	758.6	-	(51.5)	-	-
- Yen	-	-	8,100.0	-	-	-	-	-	(6.2)

Unit : Million

December 31, 2010									
The Separate financial statements									
Description	Carrying value		Contract amount				Gain (Loss) on fair value		
	Yen	Baht	Yen	EUR	USD	Baht	USD	EUR	Baht
Cross currency interest rate swap agreement	8,100.0	2,964.6	-	-	-	-	-	-	(173.9)
Forward foreign exchange contracts									
- USD / Baht	-	-	-	-	8.4	252.8	-	-	0.6
- EUR / Baht	-	-	-	25.2	-	1,090.0	-	(1.9)	-
Interest rate swap agreements									
- Baht	-	-	-	-	-	9,800.0	-	-	(478.1)
- Yen	-	-	8,100.0	-	-	-	-	-	(6.2)

Unit : Million Baht

December 31, 2009				
Description	Consolidated financial statements		The Separate financial statements	
	Carrying value	Fair value Liability	Carrying value	Fair value Liability
Long-term loan	6,000.0	6,492.8	6,000.0	6,492.8
EIB loan	1,040.6	1,191.3	-	-
Finance lease payables	48.3	47.3	13.8	13.8

Unit : Million

December 31, 2009									
Consolidated financial statements									
Description	Carrying value		Contract amount				Gain (Loss) on fair value		
	Yen	Baht	Yen	EUR	USD	Baht	USD	EUR	Baht
Cross currency interest rate swap agreement	8,100.0	2,964.6	-	-	-	-	-	-	(394.3)
Forward foreign exchange contracts									
- USD / Baht	-	-	-	-	407.9	14,271.0	(17.8)	-	-
- EUR / Baht	-	-	-	63.6	-	3,281.9	-	(4.9)	-
Interest rate swap agreements									
- Baht	-	-	-	-	-	17,754.3	-	-	(606.1)
- USD	-	-	-	-	463.2	-	27.0	-	-
- Yen	-	-	8,100.0	-	-	-	-	-	(11.3)



Unit : Million

December 31, 2009

## The Separate financial statements

Description	Carrying value		Contract amount				Gain (Loss) on fair value		
	Yen	Baht	Yen	EUR	USD	Baht	USD	EUR	Baht
Cross currency interest rate swap agreement	8,100.0	2,964.6	-	-	-	-	-	-	(394.3)
Forward foreign exchange contracts									
- USD / Baht	-	-	-	-	32.9	1,109.9	(1.2)	-	-
- EUR / Baht	-	-	-	63.6	-	3,281.9	-	(4.9)	-
Interest rate swap agreements									
- Baht	-	-	-	-	-	13,290.0	-	-	(421.7)
- Yen	-	-	8,100.0	-	-	-	-	-	(11.3)

Unit : Million Baht

December 31, 2010

December 31, 2009

Description	December 31, 2010		December 31, 2009	
	Consolidated and the Separate financial statements		Consolidated and the Separate financial statements	
	Carrying value	Fair value	Carrying value	Fair value
Debentures 1/2553	1,000.0	999.9	-	-
Debentures 2/2553	8,000.0	8,137.8	-	-
Debentures 1/2551 Tranche 1	1,500.0	1,500.0	1,500.0	1,500.0
Debentures 1/2551 Tranche 2	2,500.0	2,500.0	2,500.0	2,500.0
Debentures 1/2550	2,000.0	2,088.5	2,000.0	1,883.8
Debentures 2/2546 Tranche 2	-	-	3,490.0	3,582.9

The fair value of debentures is determined by the last bid price on the Thai Bond Dealing Center on the last business day of the year.

## 26. FINANCIAL INFORMATION BY SEGMENT

Financial information by geographical area for the years ended December 31, 2010 and 2009 is as follows:

Unit : Baht

	Thailand	The Lao PDR	Consolidated financial statements
<b>STATEMENTS OF INCOME</b>			
<b>For the year ended December 31, 2010</b>			
Revenue from sales	35,052,875,962	604,108,173	35,656,984,135
Cost of sales	(28,719,323,540)	(339,365,881)	(29,058,689,421)
Gross profit	6,333,552,422	264,742,292	6,598,294,714
Other income	2,275,013,667	(53,199,231)	2,221,814,436
Profit before expenses	8,608,566,089	211,543,061	8,820,109,150
Administrative expenses	(475,293,557)	(17,190,206)	(492,483,763)
Directors' remuneration	(8,412,647)	-	(8,412,647)
Total expenses	(483,706,204)	(17,190,206)	(500,896,410)

Unit : Baht

	Thailand	The Lao PDR	Consolidated financial statements
Profit before finance costs and income tax expense	8,124,859,885	194,352,855	8,319,212,740
Finance costs	(1,371,614,793)	(115,513,669)	(1,487,128,462)
Profit before income tax expense	6,753,245,092	78,839,186	6,832,084,278
Income tax expense	(613,213,314)	(1,305,411)	(614,518,725)
Net profit	6,140,031,778	77,533,775	6,217,565,553
<b>For the year ended December 31, 2009</b>			
Revenue from sales	34,283,923,629	220,074,266	34,503,997,895
Cost of sales	(28,722,648,002)	(204,327,701)	(28,926,975,703)
Gross profit	5,561,275,627	15,746,565	5,577,022,192
Other income	1,039,367,861	(18,399,888)	1,020,967,973
Profit (loss) before expenses	6,600,643,488	(2,653,323)	6,597,990,165
Administrative expenses	(608,106,918)	(29,774,312)	(637,881,230)
Directors' remuneration	(8,279,922)	-	(8,279,922)
Total expenses	(616,386,840)	(29,774,312)	(646,161,152)
Profit (loss) before finance costs and income tax expense	5,984,256,648	(32,427,635)	5,951,829,013
Finance costs	(1,010,806,976)	(65,523,269)	(1,076,330,245)
Profit (loss) before income tax expense	4,973,449,672	(97,950,904)	4,875,498,768
Income tax expense	(571,981,509)	369,473	(571,612,036)
Net profit (loss)	4,401,468,163	(97,581,431)	4,303,886,732
<b><u>BALANCE SHEETS</u></b>			
<b>As at December 31, 2010</b>			
Property, plant and equipment, net	83,874,596,520	4,442,245,050	88,316,841,570
Other assets	18,481,415,201	528,257,882	19,009,673,083
Total assets	102,356,011,721	4,970,502,932	107,326,514,653
<b>As at December 31, 2009</b>			
Property, plant and equipment, net	61,999,468,670	5,158,073,820	67,157,542,490
Other assets	16,909,334,495	419,982,734	17,329,317,229
Total assets	78,908,803,165	5,578,056,554	84,486,859,719

The consolidated financial statements for the year ended December 31, 2009 included revenues and operating profits from the Lao PDR for the period from May 28, 2009 which is the acquisition date of HHPC.



## 27. COMMITMENTS AND CONTINGENT LIABILITIES

The Company and its subsidiaries have commitments and contingent liabilities as follows:

### 27.1 COMMITMENTS

#### 27.1.1 Significant power purchase agreements

The Company and its subsidiaries entered into Power Purchase Agreements (“PPAs”) with the Electricity Generating Authority of Thailand (“EGAT”). Each of the agreements is effective commencing from the month in which electricity was sold to EGAT. The details of the PPAs are as below:

Company's name	Agreement date	Number of agreements	Agreement term (Years)
The Company	January 7, 1998	2	21
The Company	December 3, 2009	1	25
Glow SPP 1 Company Limited	February 1, 1996	2	23
Glow SPP 2 Company Limited	December 23, 1997	2	25
Glow SPP 3 Company Limited	December 23, 1997	2	25
Glow IPP Company Limited	November 19, 1997	1	25
GHECO-One Company Limited	September 10, 2008	1	25
Houay Ho Power Company Limited	June 24, 1997	1	30

#### 27.1.2 Power, steam and water supply agreements among the group of companies

On December 25, 2006, Glow SPP 1 Company Limited, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and the Company jointly entered into Back-up Agreements for supply of electricity, steam, clarified water and demineralized water among them. Such agreements are effective for the period of 25 years starting from January 1, 2004.

#### 27.1.3 Gas supply agreements

The Company and its subsidiaries entered into Gas Supply Agreements with PTT Public Company Limited (“PTT”) to purchase gas at a specified quantity and price detailed as follows:

Company's name	Agreement date	Gas Commercial Utilization Date	Term/Renew (Years)
The Company			
- Phase 1 (assigned from Glow SPP 3 Company Limited on June 25, 2007)	January 15, 2007	November 1, 2006	5
- Phase 2	November 22, 1999	January 18, 1996	21/ 4
- Phase 4	February 19, 2008	February 1, 2008	15/ 4
- Phase 5	February 19, 2008	September 1, 2011	10
	October 31, 2008	May 1, 2010 - July 31, 2010	5
Glow SPP 1 Company Limited	October 1, 1998	February 3, 1998	21/ 4
Glow SPP 2 Company Limited	September 28, 1999	September 28, 1999	21/ 4
Glow IPP Company Limited	December 12, 1997	January 31, 2003	25

#### 27.1.4 Coal and woodchips supply agreements

The subsidiaries entered into coal and woodchips supply agreements to purchase coal and woodchips at a specified quantity and price detailed as follows:

Company's name	Agreement date	Counterparty	Term of delivery
<b>Coal supply agreements</b>			
Glow SPP 3 Company Limited	December 17, 1997 (amendments dated April 8, 1999, September 6, 2002 and December 15, 2006)	A local company	Until December 31, 2014, renewable for another 10 years
Glow SPP 3 Company Limited	August 31, 2009	An overseas company	January 1, 2010 - December 31, 2011
Glow SPP 3 Company Limited	November 12, 2009	An overseas company	March 20, 2010 - March 31, 2011
Glow SPP 3 Company Limited	November 12, 2009	An overseas company	January 1, 2011 - December 31, 2012
GHECO-One Company Limited	August 15, 2008	An overseas company	4 years from COD
GHECO-One Company Limited	August 25, 2008	An overseas company	4 years from COD
<b>Woodchips supply agreement</b>			
Glow SPP 3 Company Limited	August 18, 2008	A local company	January 1, 2009 - December 31, 2012

#### 27.1.5 Back-up power purchase agreements

Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and the Company entered into Back-up Power Purchase Agreements with EGAT to purchase back-up power at the quantity and price as stipulated in the agreements. The agreements are for a period of 1 year, renewable every year and are detailed as follows:

Company's name	Agreement date	Effective date	Number of agreement
The Company	February 2, 2004	October 1, 2003	2
Glow SPP 2 Company Limited	March 22, 2002	January 1, 2001	2
Glow SPP 3 Company Limited	February 2, 2004	October 1, 2003	2

On February 2, 2005, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and the Company made amendments to the Back-up Power Purchase Agreements with EGAT to revise the quantity of back-up power and to purchase the back-up power over the periods as follows:

Company's name	Project	Period up to
The Company	1	March 31, 2017
	2	September 30, 2017
Glow SPP 2 Company Limited	1	March 28, 2024
	2	April 25, 2024
Glow SPP 3 Company Limited	1	August 31, 2024
	2	March 19, 2025



In the event the PPAs with EGAT are terminated before the above date, the back-up power purchase agreements will be consequently terminated.

#### 27.1.6 Construction and development

27.1.6.1 The Company and a subsidiary have outstanding commitments in respect of construction of new power plant projects as follows:

Agreement date	Project	Contract price	Outstanding commitment as at December 31, 2010
<b>The Company</b>			
April 18, 2008	Combined cycle cogeneration Power Plant	USD 158.7 million, EUR 81.4 million and Baht 1,485.1 million	USD 9.2 million, EUR 10.1 million and Baht 312.2 million
<b>GHECO-One Company Limited</b>			
May 15, 2008	660 MW Coal Fired Power Plant	USD 660.5 million and Baht 4,935.9 million	USD 36.3 million and Baht 1,653.5 million

27.1.6.2 As at December 31, 2010 and 2009, the Company and its subsidiaries have outstanding commitments in respect of other construction and improvement as follows:

*Unit : Million Baht*

Company's name	Commitments	Amount	
		2010	2009
The Company	Construction of new warehouse and transmission line, and improvement of power plant system	540.5	913.6
Glow SPP 1 Company Limited	Construction of transmission Line and substation	43.1	49.1
Glow SPP 3 Company Limited	Improvement of power plant system	17.8	86.8
GHECO-One Company Limited	Engineering service for new 660 MW Coal Fired Power Plant construction and construction of coal yard and transmission line	98.3	223.2

27.1.6.3 On August 7, 2000, Glow SPP 3 Company Limited entered into a joint agreement with the Industrial Estate Authority of Thailand ("IEAT") to develop an area to construct a shipping berth at Map Ta Phut Industrial Estate. The construction of the dedicated berth for use in handling of coal, other raw materials and necessary goods has been completed and it commenced the operation on December 7, 2001. Glow SPP 3 Company Limited has the right to utilize this area for a period of 30 years, with the following benefits paid to IEAT:

- Right of way fee for coal conveyor construction at Baht 1.3 million per annum, adjusted every 10 years by 10 percent.
- Water front fees of Baht 23.6 million payable within 1 year, and fees of Baht 9.9 million per annum payable from 2001 to 2030.
- Fee payable at a rate stipulated in the agreement for actual shipments made through the berth, and, from 2002, a minimum of at least an amount equivalent to 500,000 tons per year being shipped through the berth is to be paid.

In addition, the ownership of the dedicated berth will be transferred to IEAT in the fifteenth year from the date of commencing the operations, without any compensation.

#### 27.1.7 Lease and right of use agreements

The Company and its subsidiaries entered into agreements with the Industrial Estate Authority of Thailand (“IEAT”), PTT Public Company Limited (“PTT”), Asia Industrial Estate Company Limited (“AIE”) and other local companies for land lease, right of use of land for laying underground power transmission line, right of use of pipe rack, right of use of underground area for intake and discharge sea water underground tunnel and lease and service of building space as follows:

Company's name	Agreement date	Counterparty	Term	Annual fee (Million Baht)
<b>Land lease</b>				
The Company, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and GHECO-One Company Limited	December 19, 2007 (addendum dated April 11, 2008)	IEAT	30 years	7.6, increase by 10% every 5 years
The Company	June 5, 2007	IEAT	June 5, 2007 - November 14, 2020	1.0
Glow SPP 2 Company Limited	August 13, 1998	IEAT	September 30, 1996 - November 30, 2024	0.5, increase by 10% every 10 years
The Company, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and GHECO-One Company Limited	December 6, 1996 (addendums dated July 11, 2003 and April 11, 2008)	IEAT	December 1, 1996 - November 30, 2024	30.9, increase by 10% every 5 years
The Company	April 4, 1994	IEAT	26 years, renewable for another 20 years	0.5



Company's name	Agreement date	Counterparty	Term	Annual fee (Million Baht)
<b>Right of use of the land for laying underground power transmission line</b>				
The Company	March 17, 2008	IEAT	January 2, 2008 - November 30, 2024	0.2, increase by 10% every 5 years
The Company and Glow SPP 3 Company Limited	January 23, 2007	IEAT	January 15, 1996 - November 30, 2024, renewable for another 20 years	2.2, increase by 10% every 10 years
Glow SPP 3 Company Limited	July 1, 2009	PTT	January 1, 2009 - December 31, 2028	3.3, increase by 2% every year after the 6 <sup>th</sup> year of lease agreement
<b>Right of use of pipe rack</b>				
The Company	August 31, 2009	AIE	August 31, 2009 - October 31, 2017	8.2, increase depending on AIE's costs
The Company	August 30, 2007	PTT	January 1, 2007 - December 31, 2021	0.4, increase by 3% every year
The Company	September 1, 2004	A local company	June 1, 2005 - December 31, 2020	4.5, increase by 5% every year
Glow SPP 3 Company Limited	September 29, 2005	PTT	September 1, 2005 - August 31, 2020	0.6, increase by 3% every year
Glow SPP 1 Company Limited	May 28, 1999 (amendments dated September 1, 2002 and September 28, 2006)	A local company	October 1, 1998 - September 30, 2021	6.0, increase by 5% every year
<b>Right of use of underground area for intake and discharge sea water underground tunnel</b>				
Glow SPP 3 Company Limited	September 30, 2009	IEAT	December 1, 1997 - November 30, 2024	1.6, increase by 10% every 5 years
Glow SPP 3 Company Limited	September 30, 2009	IEAT	January 19, 1999 - November 30, 2024	0.2, increase by 10% every 5 years
GHECO-One Company Limited	September 30, 2009	IEAT	September 30, 2009 - November 30, 2024	0.2, increase by 10% every 5 years
<b>Lease and service of building space</b>				
Glow Company Limited	May 22, 2009	A local company	June 1, 2009 - May 31, 2012	Monthly fee of Baht 1.5 million

#### 27.1.8 Other service agreements

- 27.1.8.1 On April 20, 2004, the Company and Glow SPP 2 Company Limited entered into the Long Term Parts and Long Term Service Agreements (“LTSAs”) with a local company in order for provision of parts and maintenance services of Gas Turbine Units and their associated equipments. The term of the LTSAs is determined by the number of hours that such Cover Unit is operated (Factored-Fired Hour) and number of Major Inspection as specified in the agreements. The provision of services commenced in January 2005. The contract prices consist of a fixed Thai Baht monthly fee and variable monthly fee in both USD and Baht currency as specified in the agreements. These prices are subject to escalation in accordance with the terms of the LTSAs.
- 27.1.8.2 On February 9, 2009, the Company and six subsidiaries (“Glow Group”) jointly entered into Support Services Agreement and Engineering Services Agreement with SUEZ-Tractebel S.A. (“SUEZ”), whereby SUEZ shall provide consulting services in respect of engineering, operational, financial and auditing system, investment, project finance, insurance, etc. The service fee shall be in Euro currency. The service agreements will be determined in the hourly rate depending on the type of services. The term of the agreements is 2 years from July 11, 2008, automatically renewed for successive one-year term unless termination is notified by either party. Nevertheless, the agreements shall be automatically terminated on the date that GDF SUEZ S.A., the ultimate shareholder, holds directly or indirectly less than 25 percent of the shares of Glow Group. Both of the above agreements superseded the agreements dated May 3, 2005.
- 27.1.8.3 Glow IPP Company Limited entered into a Long Term Parts and Repair Agreement (“LTPRA”) dated April 23, 2010 with an overseas company to provide certain parts and/or reconditioning services in respect of the power plant at the price in Euro currency as set out in the agreement. The agreement shall expire within 15 years or earlier upon the conditions as stipulated in the agreement.
- 27.1.8.4 Glow SPP 1 Company Limited entered into a Long Term Parts and Repair Agreement (“LTPRA”) dated June 23, 2010 with a local company to provide certain parts and/or reconditioning services in respect of the power plant at the price in Euro currency as set out in the agreement. The agreement shall expire within 12 years or earlier upon the conditions as stipulated in the agreement.
- 27.1.8.5 The Company entered into a Long Term Service Agreement (“LTSAs”) dated December 24, 2010 with a local company to provide certain parts and maintenance services for Phase 5 power plant at the price in Euro currency as set out in the agreement. The term of the agreement is 12 years or earlier upon the conditions as stipulated in the agreement.
- 27.1.8.6 As at December 31, 2010 and 2009, the Company and its subsidiaries had outstanding commitments in respect of software license, lease of vehicles, and other services agreements totaling approximately Baht 162.8 million and Baht 224.5 million, respectively.



#### 27.1.9 Purchase of spare parts

27.1.9.1 Glow IPP Company Limited and Glow SPP 1 Company Limited have issued purchase orders to purchase parts under LTPRAs (see Notes 27.1.8.3 and 27.1.8.4) in the amount totaling EUR 22.5 million and EUR 2.2 million, respectively. As at December 31, 2010, the outstanding commitment was EUR 15.9 million and EUR 1.5 million, respectively.

27.1.9.2 GHECO-One Company Limited has issued purchase orders to an overseas supplier to purchase initial spare parts for its new power plant project in the amount of EUR 0.8 million and the outstanding commitment as at December 31, 2010 was EUR 0.6 million.

27.1.9.3 In February 2009, the Company issued a purchase order to an overseas supplier to purchase initial spare parts for power plant project phase 5 in the amount of EUR 10.5 million. An advance payment of EUR 1.6 million was paid and the outstanding commitment as at December 31, 2010 was EUR 8.9 million.

27.1.9.4 In June 2009, the Company issued a purchase order to an overseas supplier to purchase spare parts for new 115 MW CFB power plant project in the amount of USD 1.8 million. An advance payment of USD 0.3 million was paid and USD 1.4 million was accrued. The outstanding commitment as at December 31, 2010 was USD 0.1 million.

#### 27.1.10 Royalty agreement

In consideration for the grant and issuance to Houay Ho Power Company Limited of all rights, leases, permits and other benefits under the Build Operate and Transfer Agreement (“BOT”), Houay Ho Power Company Limited shall pay to the Government of Lao PDR for each quarter falling in the operations period, within 90 days of the end of such quarter a royalty in Thai Baht, USD and Kip at the rate of 3.15 percent during the first seven years of commercial operation and 7.2 percent thereafter, for all receipts under its power purchase agreements.

#### 27.1.11 Facility agreements

The Company entered into the following loan agreements with local financial institutions. The loans are guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited. The loan agreements contain certain covenants such as the maintenance of tangible net worth, net debt to equity ratio and debt service coverage ratio. As at December 31, 2010, these loans have not been drawn down.

Agreement date	Amount (Million Baht)	Interest rate	Repayment date
May 13, 2010	1,000	A certain percentage per annum	June 30, 2014
June 1, 2010	1,000	A certain percentage per annum	December 31, 2014
December 24, 2010	1,600	THBFIX + a certain percentage per annum	February 6, 2016

The Baht 1,600 million loan is for refinancing of Baht 3,000 million loan (see Note 28.1).

## 27.2 CONTINGENT LIABILITIES

### 27.2.1 Letters of guarantee

As at December 31, 2010 and 2009, there were outstanding letters of guarantee issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries as follows:

*Unit : Million*

Company's name	Currency	Amount	
		2010	2009
The Company	Baht	814.0	733.8
Glow SPP 1 Company Limited	Baht	203.3	203.3
Glow SPP 2 Company Limited	Baht	277.2	240.6
Glow SPP 3 Company Limited	Baht	493.8	492.8
Glow IPP Company Limited	Baht	7.0	7.0
GHECO-One Company Limited*	Baht	348.0	520.8
The Company and six subsidiaries	Baht	2.0	2.0
Houay Ho Power Company Limited	USD	3.0	3.0

\* The above bank guarantee of GHECO-One Company Limited of Baht 348.0 million is guaranteed by the Company in the amount not exceeding Baht 226.2 million.

### 27.2.2 Others

27.2.2.1 Glow IPP 3 Company Limited has an obligation under the Land Purchase and Sale Agreement with a local company dated June 29, 2007 and Amendment No. 1 dated May 22, 2008 to purchase approximately 4 rai of the land at the price of Baht 2 million per rai in the event that the land will not be used for EGAT power line installation. In case EGAT still has not made decision until the end of 2012, Glow IPP 3 Company Limited shall enter into the Land Purchase and Sale Agreement within 90 days from the end of 2012.

In addition, Glow IPP 3 Company Limited shall be responsible for the cost of engineering expenses and construction of raw water pipeline, and process waste water facility and waste water collection pipeline system in excess of the standard capacity.

27.2.2.2 Glow IPP Company Limited has performed an offline water wash at a 1-3 month interval and EGAT had duly paid for the Availability Payment during the period of such operations. The Availability Payment during the offline water wash operations, received from EGAT starting from the commercial operation date up to May 2005, was approximately Baht 30 million. Consequently, EGAT has made a new interpretation of the PPA and has argued that EGAT is not entitled to pay the Availability Payment. Accordingly, EGAT has not paid for the Availability Payment since invoice of June 2005 up to May 2008 totaling Baht 40.6 million. Glow IPP Company Limited has sent a letter to EGAT requesting for payment of the overdue balance with interest. EGAT has refused to pay.

Glow IPP Company Limited believes that it is clearly stated in paragraph 22 of Schedule 2 of the PPA that a reduction in output or availability due to offline water wash during the allowed transient period shall not result in deductions from the Full Availability Payment.



Due to the difference interpretation as aforementioned, both parties agreed to bring the matter to arbitration in an amicable manner. If Glow IPP Company Limited does not win the case in arbitration, it will not receive availability payment on a recurrent basis of approximately Baht 30 million per year until the PPA is terminated.

## 28. EVENTS AFTER THE BALANCE SHEET DATE

- 28.1 On January 6, 2011, the Company sent a Prepayment Notice to the lender of the Baht 3,000 million loan to prepay the whole amount of the loan on February 7, 2011. This loan will be refinanced by the Baht 1,600 million loan under the loan agreement dated December 24, 2010 (see Note 27.1.11) and USD 46.4 million loan (see Note 28.2).
- 28.2 On January 31, 2011, the Company entered into a facility agreement with a financial institution for the loan of USD 46.4 million, carrying interest at LIBOR plus a certain percentage per annum to refinance the Baht 3,000 million loan as described in Note 28.1. The loan is repayable on February 6, 2016 and guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited. The loan agreements contain certain covenants such as the maintenance of tangible net worth, net debt to equity ratio and debt service coverage ratio.
- 28.3 On January 6, 2011, the Company entered into cross currency swap with a lender in Note 28.2 to swap the USD 46.4 million loan for a Baht 1,400 million loan and to swap interest at LIBOR plus a certain percentage per annum for THBFIX plus a certain percentage per annum. The swap will be effective on February 7, 2011 and matured on February 6, 2016.
- 28.4 On January 6, 2011, the Company entered into interest rate swap agreements with two financial institutions to swap interest at certain percentages per annum for different certain percentages per annum for the debentures No. 1/2550, 1/2551, 1/2553, 2/2553 series 3 and 2/2553 series 4 totaling Baht 7,300 million. The swap agreements will be effective on January 5, 2011 and terminated on October 8, 2019.
- 28.5 On January 11, 2011, the Company entered into forward foreign exchange contracts with two financial institutions to swap the payment of variable fee under LTSA for Phase 5 Project during October 31, 2011 to November 30, 2010 totaling EUR 24.3 million for Baht 1,008.5 million.

## 29. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been authorized for issue by Finance Executive Management of the Company on February 11, 2011.

EVERLASTING ENERGY





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