

ELECTRICITY GENERATING PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS
(UNAUDITED)

31 March 2005

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Electricity Generating Public Company Limited

I have reviewed the accompanying consolidated and company balance sheets as at 31 March 2005, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2005 and 2004 of Electricity Generating Public Company Limited and its subsidiaries ("the Group") and of Electricity Generating Public Company Limited ("the Company"), respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the consolidated and company financial statements for the year ended 31 December 2004 of the Group and of the Company in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 25 February 2005. The consolidated and company balance sheets as at 31 December 2004, presented herewith for comparative purposes, are part of the interim consolidated and company financial statements which were audited and upon which a report was issued as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

PRASAN CHUAPHANICH
Certified Public Accountant
(Thailand) No. 3051
PricewaterhouseCoopers ABAS Limited

Bangkok
9 May 2005

Electricity Generating Public Company Limited

Balance Sheets

As at 31 March 2005 and 31 December 2004

	Notes	Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
		31 March 2005 Baht'000	31 December 2004 Baht'000	31 March 2005 Baht'000	31 December 2004 Baht'000
ASSETS					
Current Assets					
Cash and cash equivalents		3,543,725	1,850,947	942,325	845,607
Short-term investments					
- Deposits at financial institutions		2,833,203	2,535,030	2,113,224	1,839,387
- Marketable securities	6, 12	163,751	232,242	167,532	171,224
Short-term investments used as collateral	4, 9, 10, 12				
- Deposits at financial institutions		6,350,313	5,116,368	-	-
- Marketable securities		1,221,820	1,234,354	-	-
Trade receivables, net	5	330,770	300,916	-	-
Trade receivable from a related party	12	1,423,913	2,058,354	-	-
Amounts due from related parties	12	65,953	60,352	50,282	34,260
Dividends receivable from subsidiaries	7.1	-	-	3,225,255	1,846,359
Spare parts and supplies, net		3,451,383	3,436,470	-	-
Other current assets		513,223	284,794	33,049	34,979
Total Current Assets		19,898,054	17,109,827	6,531,667	4,771,816
Non-Current Assets					
Long-term investments in marketable securities and others	6, 12	2,756,296	2,721,445	2,763,496	2,727,697
Long-term investments used as collateral	4, 9, 10, 12				
- Deposits at financial institutions		59,963	1,016,570	-	-
- Marketable securities		52,000	52,000	-	-
Long-term loans to related parties, net	12	907,652	671,931	1,082,652	846,931
Investments in subsidiaries	7	-	-	14,521,462	15,139,665
Investment in an associate	7	406,660	390,914	-	-
Interests in joint ventures, net	7	7,275	7,192	4,092,619	4,030,920
Property, plant and equipment, net	8	31,035,047	31,283,164	735,369	747,249
Goodwill, net	8	1,137,161	1,158,532	-	-
Other non-current assets, net		727,444	654,776	28,043	27,725
Total Non-Current Assets		37,089,498	37,956,524	23,223,641	23,520,187
Total Assets		56,987,552	55,066,351	29,755,308	28,292,003

Director

Date

The notes to the interim consolidated and company financial statements on pages 10 to 24 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited
Balance Sheets
As at 31 March 2005 and 31 December 2004

	Notes	Consolidated		Company	
		Unaudited 31 March 2005 Baht'000	Audited 31 December 2004 Baht'000	Unaudited 31 March 2005 Baht'000	Audited 31 December 2004 Baht'000
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions		115,000	75,000	-	-
Trade payables		467,205	475,572	-	-
Trade payable to a related party	12	62,263	155,860	-	-
Amounts due to related parties	12	28,360	29,489	97	93
Current portion of long-term loans from financial institutions and debentures, net	9, 10	3,414,031	3,400,078	-	-
Current portion of long-term loans from a co-investor in a joint venture		50,000	50,000	-	-
Other current liabilities					
- Interest payable		479,080	151,937	-	-
- Value added tax payable		168,283	251,646	-	-
- Income tax payable		345,267	230,018	-	-
- Others		283,611	448,900	55,073	122,402
Total Current Liabilities		5,413,100	5,268,500	55,170	122,495
Non-Current Liabilities					
Long-term loans from financial institutions, r	9	15,552,614	15,431,102	-	-
Debentures, net	10	4,926,847	4,926,847	-	-
Long-term loans from a co-investor in a joint venture, net		125,000	125,000	-	-
Other non-current liabilities		250,162	211,967	-	-
Total Non-Current Liabilities		20,854,623	20,694,916	-	-
Total Liabilities		26,267,723	25,963,416	55,170	122,495
Shareholders' Equity					
Share capital	11				
Authorised share capital		5,300,000	5,300,000	5,300,000	5,300,000
Issued and paid-up share capital		5,264,650	5,264,650	5,264,650	5,264,650
Premium on share capital	11	8,601,300	8,601,300	8,601,300	8,601,300
Retained earnings					
Appropriated					
- Legal reserve		530,000	530,000	530,000	530,000
- Capital reserve for treasury stock		52,169	52,169	52,169	52,169
Unappropriated		15,027,252	13,530,545	15,027,252	13,530,545
Unrealised gains on investments in marketable securities		410,786	359,887	459,671	408,151
Translation adjustments		(182,735)	(165,138)	(182,735)	(165,138)
Total parent's shareholders' equity		29,703,422	28,173,413	29,752,307	28,221,677
Minority interest		1,068,576	981,691	-	-
Total Shareholders' Equity		30,771,998	29,155,104	29,752,307	28,221,677
<u>Less</u> Treasury stock	11	(52,169)	(52,169)	(52,169)	(52,169)
Total Shareholders' Equity, net		30,719,829	29,102,935	29,700,138	28,169,508
Total Liabilities and Shareholders' Equity		56,987,552	55,066,351	29,755,308	28,292,003

The notes to the interim consolidated and company financial statements on pages 10 to 24 are an integral part of these interim financial statements.

Statements of Income

For the three-month periods ended 31 March 2005 and 2004

	Notes	Consolidated		Company	
		2005 Baht'000	2004 Baht'000	2005 Baht'000	2004 Baht'000
Revenues					
Sales and service income	12	3,935,843	4,011,467	-	-
Cost of sales and services	12	(1,817,462)	(1,875,607)	-	-
Gross profit		2,118,381	2,135,860	-	-
Administrative expenses		(252,740)	(321,514)	(85,348)	(80,000)
Profit (loss) from sales and services		1,865,641	1,814,346	(85,348)	(80,000)
Other income					
- Interest income	12	72,232	66,059	26,072	17,526
- Dividend income		166,280	267,789	166,280	267,789
- Others		24,576	16,558	31,129	27,960
Directors' remuneration		(2,995)	(2,579)	(1,562)	(1,647)
Currency exchange gains		28,192	26,805	3,735	1,364
Operating profit		2,153,926	2,188,978	140,306	232,992
Share of profit (loss) from subsidiaries, an associate and joint ventures					
	7	15,829	(10,701)	1,356,401	1,196,142
Profit before interest and tax		2,169,755	2,178,277	1,496,707	1,429,134
Interest expenses	12	(468,080)	(577,149)	-	(21,443)
Income tax		(119,295)	(136,202)	-	-
Profit before minorities		1,582,380	1,464,926	1,496,707	1,407,691
Profit attributable to minorities		85,673	57,235	-	-
Net profit for the period		1,496,707	1,407,691	1,496,707	1,407,691
Basic earnings per share (Baht)					
	3				
Profit before minorities		3.01	2.79	2.85	2.68
Profit attributable to minorities		0.16	0.11	-	-
Net profit for the period		2.85	2.68	2.85	2.68

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Electricity Generating Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the three-month periods ended 31 March 2005 and 2004

Unaudited

	Consolidated									
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Legal reserve Baht'000	Capital reserve for treasury stock Baht'000	Retained earnings Baht'000	Fair value reserve Baht'000	Translation adjustments Baht'000	Minority interest Baht'000	Treasury stock Baht'000	Total Baht'000
Opening balance as at 1 January 2005	5,264,650	8,601,300	530,000	52,169	13,530,545	359,887	(165,138)	981,691	(52,169)	29,102,935
Translation adjustments	-	-	-	-	-	-	(17,597)	(897)	-	(18,494)
Net profit for the period	-	-	-	-	1,496,707	-	-	-	-	1,496,707
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	-	66,266	-	19	-	66,285
Realised losses from transfer of investments from available-for-sale to held to maturity	-	-	-	-	-	(30)	-	-	-	(30)
Amortisation of losses from transfer of investments from available-for-sale to held to maturity	-	-	-	-	-	(15,337)	-	-	-	(15,337)
Ordinary shares	-	-	-	-	-	-	-	2,090	-	2,090
Minority interest	-	-	-	-	-	-	-	85,673	-	85,673
Closing balance as at 31 March 2005	5,264,650	8,601,300	530,000	52,169	15,027,252	410,786	(182,735)	1,068,576	(52,169)	30,719,829
Opening balance as at 1 January 2004	5,264,650	8,601,300	530,000	-	10,474,834	1,206,632	(182,803)	858,592	(52,169)	26,701,036
Translation adjustments	-	-	-	-	-	-	86,373	2,258	-	88,631
Net profit for the period	-	-	-	-	1,407,691	-	-	-	-	1,407,691
Unrealised losses on investments in marketable securities - available-for-sale	-	-	-	-	-	(605,172)	-	-	-	(605,172)
Minority interest	-	-	-	-	-	-	-	57,235	-	57,235
Closing balance as at 31 March 2004	5,264,650	8,601,300	530,000	-	11,882,525	601,460	(96,430)	918,085	(52,169)	27,649,421

The notes to the interim consolidated and company financial statements on pages 10 to 24 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the three-month periods ended 31 March 2005 and 2004

Unaudited

	Company								
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Capital reserve for treasury stock	Retained earnings	Fair value reserve	Translation adjustments	Treasury stock	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance as at 1 January 2005	5,264,650	8,601,300	530,000	52,169	13,530,545	408,151	(165,138)	(52,169)	28,169,508
Translation adjustments	-	-	-	-	-	-	(17,597)	-	(17,597)
Net profit for the period	-	-	-	-	1,496,707	-	-	-	1,496,707
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	-	51,520	-	-	51,520
Closing balance as at 31 March 2005	5,264,650	8,601,300	530,000	52,169	15,027,252	459,671	(182,735)	(52,169)	29,700,138
Opening balance as at 1 January 2004	5,264,650	8,601,300	530,000	-	10,474,834	1,261,160	(182,803)	(52,169)	25,896,972
Translation adjustments	-	-	-	-	-	-	86,373	-	86,373
Net profit for the period	-	-	-	-	1,407,691	-	-	-	1,407,691
Unrealised losses on investments in marketable securities - available-for-sale	-	-	-	-	-	(602,017)	-	-	(602,017)
Closing balance as at 31 March 2004	5,264,650	8,601,300	530,000	-	11,882,525	659,143	(96,430)	(52,169)	26,789,019

The notes to the interim consolidated and company financial statements on pages 10 to 24 are an integral part of these interim financial statements.

Statements of Cash Flows

For the three-month periods ended 31 March 2005 and 2004

	Notes	Consolidated		Company	
		2005 Baht'000	2004 Baht'000	2005 Baht'000	2004 Baht'000
Cash flows from operating activities					
Net profit for the period		1,496,707	1,407,691	1,496,707	1,407,691
Adjustments to reconcile net profit to net cash provided by operations:					
- Depreciation and amortisation of goodwill	8	635,736	637,992	10,668	16,452
- Amortisation of other current and non-current assets		14,986	47,010	10	10
- Write-off development costs		-	8,553	-	-
- Write-off property, plant and equipment		-	54,490	-	-
- Amortisation of losses from transfer of investments from available-for-sale to held to maturity		15,337	-	-	-
- Unrealised currency exchange gains		(19,494)	(28,446)	(3,736)	(1,364)
- Gains on disposals of property, plant and equipment		(2,358)	(766)	(827)	(766)
- Dividends received from other companies		(166,280)	(267,789)	(166,280)	(267,789)
- Shares of (profit) loss from subsidiaries, an associate and joint ventures	7	(15,829)	10,701	(1,356,401)	(1,196,142)
- Minority interest		85,673	57,235	-	-
- Others		(1,459)	189	-	-
Cash flows before changes in operating assets and liabilities		2,043,019	1,926,860	(19,859)	(41,908)
Changes in operating assets and liabilities: (excluding the effects of acquisition and disposal)					
- Short-term and long-term investments used as collateral		(260,700)	(1,813,775)	-	-
- Trade receivables and trade receivable from a related party		609,484	(61,450)	-	-
- Amounts due from related parties		31,959	1,956	19,067	(1,343)
- Spare parts and supplies		(119,781)	11,007	-	-
- Other current assets		(327,203)	(173,986)	(33,159)	(24,224)
- Other non-current assets		(22,935)	53,735	(327)	36,674
- Trade payables and trade payable to a related party		(112,279)	163,954	-	-
- Amounts due to related parties		8,922	11,917	4	(2)
- Other current and non-current liabilities		183,178	437,489	(66,696)	(12,461)
Net cash receipts (payments) from operating activities		2,033,664	557,707	(100,970)	(43,264)

The notes to the interim consolidated and company financial statements on pages 10 to 24 are an integral part of these interim financial statements.

Statements of Cash Flows

For the three-month periods ended 31 March 2005 and 2004

	Notes	Consolidated		Company	
		2005 Baht'000	2004 Baht'000	2005 Baht'000	2004 Baht'000
Cash flows from investing activities					
Investments in subsidiaries and interest in a joint venture		-	-	-	(72,000)
Net cash payment from deposits at financial institutions		(304,300)	(640,899)	(273,838)	(76,988)
Net cash received from short-term investment	6	69,192	230,397	4,000	220,000
Net cash paid for purchases of long-term investments		-	(211,434)	-	(211,434)
Net (purchases) disposals of property, plant and equipment		(203,231)	(169,939)	2,039	(2,041)
Loans and advances made to related parties		(231,985)	(592,597)	(231,985)	(688,168)
Dividends received from subsidiaries		-	-	531,825	330,000
Dividends received from other companies		166,280	267,789	166,280	267,789
Others		-	(225)	-	-
Net cash receipts (payments) from investing activities		<u>(504,044)</u>	<u>(1,116,908)</u>	<u>198,321</u>	<u>(232,842)</u>
Cash flows from financing activities					
Proceeds from issue of ordinary shares from minority of a subsidiary of a joint venture		2,090	-	-	-
Payments on finance lease		(1,461)	-	-	-
Proceeds from short-term loans from financial institutions		40,000	23,466	-	-
Proceeds from long-term loans from financial institutions	9	331,800	115,570	-	-
Proceeds from long-term loans from co-investors in a joint venture		-	112,500	-	-
Payments on long-term loans from financial institutions	9	(193,138)	(424,062)	-	-
Dividends paid to shareholders		(14,171)	(462)	(633)	(462)
Net cash receipts (payments) from financing activities		<u>165,120</u>	<u>(172,988)</u>	<u>(633)</u>	<u>(462)</u>
Net increase in cash and cash equivalents					
Beginning balance		1,694,740	(732,189)	96,718	(276,568)
Effects of exchange rate changes		(1,962)	2,169	-	-
Ending balance		<u>3,543,725</u>	<u>1,000,750</u>	<u>942,325</u>	<u>495,219</u>

The notes to the interim consolidated and company financial statements on pages 10 to 24 are an integral part of these interim financial statements.

Statements of Cash Flows

For the three-month periods ended 31 March 2005 and 2004

	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Cash and cash equivalents are made up as follows:				
- Cash in hand and deposits at financial institutions	802,720	864,434	64,857	395,219
- Short-term investments - maturity within three months	2,741,005	136,316	877,468	100,000
	<u>3,543,725</u>	<u>1,000,750</u>	<u>942,325</u>	<u>495,219</u>
Supplementary information for cash flows:				
Interest paid	174,898	141,483	-	-
Tax paid	47,263	29,901	-	-
Non-cash transactions				
Reclassification of utilised capital spare parts to property, plant and equipment	136,057	-	-	-
Reclassification of unutilised capital spare parts from property, plant and equipment	30,140	-	-	-
Increase in property, plant and equipment by payables	24,135	-	-	-

The notes to the interim consolidated and company financial statements on pages 10 to 24 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the three-month periods ended 31 March 2005 and 2004

1 Accounting policies

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial statements are prepared in a condensed format according to Thai Accounting Standard 41, 'Interim Financial Reporting' and additional notes are presented as required by the Securities and Exchange Commission.

The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying interim consolidated and company financial statements are therefore not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Thailand. Consequently, these interim consolidated and company financial statements are only addressed to those who are informed about Thai generally accepted accounting principles and practices.

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

The preparation of interim financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the interim financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2004.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

Income tax expense is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

These interim financial statements should be read in conjunction with the 2004 annual financial statements.

Comparative figures have been adjusted to conform with changes in presentation in the current period.

2 Segment information

Financial information by geographical segments

	Thailand Baht'000	Philippines Baht'000	Consolidated Baht'000
For the three-month period ended 31 March 2005			
Sales and service income	3,747,787	188,056	3,935,843
Gross profit	1,968,873	149,508	2,118,381
Operating results	2,002,162	151,764	2,153,926
Net profit for the period	1,416,720	79,987	1,496,707
For the three-month period ended 31 March 2004			
Sales and service income	3,831,164	180,303	4,011,467
Gross profit	1,994,099	141,761	2,135,860
Operating results	2,065,884	123,094	2,188,978
Net profit for the period	1,368,511	39,180	1,407,691

3 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of ordinary shares in issue during the period, net-off treasury stock (2005: 525,164,200 shares and 2004: 525,164,200 shares).

There are no dilutive potential ordinary shares in issue during the periods presented, so no diluted earnings per share is presented.

4 Short-term and long-term investments used as collateral

Subsidiaries of the Company

Deposits at financial institutions used as collateral are mainly of Rayong Electricity Generating Company Limited (REGCO) and Khanom Electricity Generating Company Limited (KEGCO), and comprise cash reserves required to be maintained under their loan agreements and debentures for the purpose of repayment of principal and interest due within one year, and as a reserve to minimise exchange rate risk. These cash reserves are provided from the proceeds of sale of electricity. As at 31 March 2005, these cash reserves amounted to Baht 2,757 million (31 December 2004: Baht 2,084 million). The remaining balance of short-term and long-term investments used as collateral of Baht 3,595 million (31 December 2004: Baht 2,804 million) represent collateralised deposits maintained in accordance with the loan agreements, but which can be used subject to certain lender approvals. During this quarter, the lenders allowed REGCO to pledge a letter of credit issued on behalf of the Company instead of providing the cash reserve for the US Dollar Debt Service Reserve Account (D/R Account). Thus, such reserve account was nil as at 31 March 2005. In addition, the lenders allowed KEGCO to pledge the letter of guarantee issued on behalf of the Company instead of providing the partial cash reserve for both the US Dollar and Thai Baht Debt Service Reserve Accounts (D/R Accounts) since October 2004.

The cash reserve for minimising exchange risk represents deposits in US Dollars. REGCO had to provide this reserve until the account was equal to the lower of 25% of the aggregate outstanding unhedged US Dollar loans or an amount of US Dollars 60 million. During this quarter, the lenders allowed REGCO to lower the cash reserves for Foreign Exchange Reserve Account (FX Reserve Account) to US Dollars 1.5 million. Thus, this reserve was US Dollars 1.5 million as at 31 March 2005.

Subsidiaries of Gulf

Deposits at financial institutions used as collateral of Baht 930 million (31 December 2004: Baht 1,006 million) are mainly of five subsidiaries and have been pledged as collateral to secure credit facilities according to long-term loan agreements. However, withdrawals can be made from the pledged accounts to provide working capital in the normal course of business of the subsidiaries. The two of Gulf's subsidiaries are constructing their power plants and, therefore, have no earnings from sales of electricity. They will provide the reserves when they commence commercial operation.

Short-term investments and long-term investments used as collateral comprise deposits at financial institutions and marketable securities.

Electricity Generating Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the three-month periods ended 31 March 2005 and 2004

5 Trade receivables, net

As at	Consolidated		Company	
	31 March	31 December	31 March	31 December
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivables	334,105	304,251	-	-
<u>Less</u> Allowance for doubtful debts	(3,335)	(3,335)	-	-
Trade receivables, net	<u>330,770</u>	<u>300,916</u>	<u>-</u>	<u>-</u>

Outstanding trade receivables as at 31 March 2005 and 31 December 2004 can be analysed as follows:

Up to 3 months	303,079	287,385	-	-
3 – 6 months	14,467	8,772	-	-
6 – 12 months	15,779	7,561	-	-
Over 12 months	780	533	-	-
	<u>334,105</u>	<u>304,251</u>	<u>-</u>	<u>-</u>
<u>Less</u> Allowance for doubtful debts	(3,335)	(3,335)	-	-
Trade receivables, net	<u>330,770</u>	<u>300,916</u>	<u>-</u>	<u>-</u>

6 Investments in marketable securities and others

The movements in investments in marketable securities and others can be analysed as follows:

	Short-term investments		Long-term investments	
	Consolidated	Company	Consolidated	Company
	Baht'000	Baht'000	Baht'000	Baht'000
For the three-month period ended				
31 March 2005				
Opening amount	232,242	171,224	2,721,445	2,727,697
Disposals	(69,192)	(4,000)	-	-
Transfer from long-term investments to be current portion due within one year	392	-	(392)	-
Change in fair value of investments	309	308	35,243	35,799
Closing amount	<u>163,751</u>	<u>167,532</u>	<u>2,756,296</u>	<u>2,763,496</u>

7 Investments in subsidiaries and an associate and interests in joint ventures, net

As at	Consolidated		Company	
	31 March	31 December	31 March	31 December
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Investments in subsidiaries	-	-	14,521,462	15,139,665
Investment in an associate	406,660	390,914	-	-
Interests in joint ventures	7,275	7,192	4,487,025	4,425,326
<u>Less</u> Provision for impairment	-	-	(394,406)	(394,406)
Investments in subsidiaries and an associate and interests in joint ventures, net	<u>413,935</u>	<u>398,106</u>	<u>18,614,081</u>	<u>19,170,585</u>

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7 Investments in subsidiaries and an associate and interests in joint ventures, net (continued)

The movements in investments in subsidiaries and an associate and interests in joint ventures can be analysed as follows:

	<u>Consolidated</u>	<u>Company</u>
	<u>Baht'000</u>	<u>Baht'000</u>
For the three-month period ended 31 March 2005		
Opening net book value	398,106	19,170,585
Share of profit from subsidiaries and an associate and interests in joint ventures	15,829	1,356,401
Dividends received from subsidiaries	-	(1,910,721)
Change in fair value of marketable securities-available-for-sale of a subsidiary	-	46
Realised losses from transfer of investments from available-for-sale to held to maturity	-	30
Amortisation of losses from transfer of investments from available-for-sale to held to maturity	-	15,337
Translation adjustments	-	(17,597)
Closing net book value	<u>413,935</u>	<u>18,614,081</u>

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7 Investments in subsidiaries and an associate and interests in joint ventures, net (continued)

7.1 The principal subsidiaries, which are all incorporated in Thailand except EGCO International B.V.I which is incorporated in British Virgin Islands, are as follows:

		Company			
		31 March 2005			
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000	
	(including indirect holding)				
Rayong Electricity Generating Co., Ltd.	Electricity generating 99.99	4,700,000	5,829,059	1,308,636	
Khanom Electricity Generating Co., Ltd.	Electricity generating 99.99	4,850,000	5,834,375	563,160	
EGCO Engineering and Service Co., Ltd. and its subsidiary and joint venture	Power plant operation and maintenance services 99.99	250,000	284,737	38,925	
- Subsidiary					
- Agro Energy Co., Ltd.	Trading / delivery services of natural scrap 99.99				
- Joint venture					
- Amata Power-Esco Service Co., Ltd.	Power plant operation 50.00				
Egcom Tara Co., Ltd.	Tap water business 70.00	398,475	399,069	-	
EGCO Green Energy Co., Ltd. and its subsidiary	Investing in biomass fueled electricity generating plant 74.00	129,500	156,572	-	
- Roi-Et Green Co., Ltd.	Develop, design, construct and test operation of husk fueled electricity generating plant 95.00				
EGCO International B.V.I	Investing in power energy projects 99.99	-	608,310	-	
Thai LNG Power Corporation Limited and its subsidiary	Investing in power energy projects 100.00	513,000	507,724	-	
- TLP Cogeneration Co., Ltd.	Electricity generating 80.00	424,000	901,616	-	
		<u>11,264,975</u>	<u>14,521,462</u>	<u>1,910,721</u>	

Dividends declared by Rayong Electricity Generating Company Limited, Khanom Electricity Generating Company Limited and EGCO Engineering and Service Company Limited amounted to Baht 1,911 million. These dividends have not yet been paid to shareholders during this period so the Company recorded as dividends receivable in the company interim financial statements as at 31 March 2005.

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7 Investments in subsidiaries and an associate and interests in joint ventures, net (continued)

7.1 The principal subsidiaries, which are all incorporated in Thailand except EGCO International B.V.I which is incorporated in British Virgin Islands, are as follows (continued):

		Company			
		31 December 2004			
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000	
	(including indirect holding)				
Rayong Electricity Generating Co., Ltd.	Electricity generating	99.99	4,700,000	6,565,810	3,104,029
Khanom Electricity Generating Co., Ltd.	Electricity generating	99.99	4,850,000	5,821,158	1,980,882
EGCO Engineering and Service Co., Ltd. and its subsidiary and joint venture	Power plant operation and maintenance services	99.99	250,000	281,567	56,968
- Subsidiary					
- Agro Energy Co., Ltd.	Trading / delivery services of natural scrap	99.99			
- Joint venture					
- Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00			
Egcom Tara Co., Ltd.	Tap water business	70.00	398,475	382,613	-
EGCO Green Energy Co., Ltd. and its subsidiary	Investing in biomass fueled electricity generating plant	74.00	129,500	142,719	-
- Roi-Et Green Co., Ltd.	Develop, design, construct and test operation of husk fueled electricity generating plant	95.00			
EGCO International B.V.I	Investing in power energy projects	99.99	-	593,889	-
Thai LNG Power Corporation Limited and its subsidiary	Investing in power energy projects	100.00	513,000	509,410	-
- TLP Cogeneration Co., Ltd.	Electricity generating	80.00	424,000	842,499	-
			<u>11,264,975</u>	<u>15,139,665</u>	<u>5,141,879</u>

The investment in Agro Energy Company Limited was accounted for under the equity method but not consolidated in the consolidated financial statements as at 31 March 2005 and 31 December 2004 because its financial statements were not material to the Group.

7.2 The principal associate, which is incorporated in Thailand, is as follows:

		Consolidated			
		31 March 2005		31 December 2004	
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Cost Method Baht'000	Equity Method Baht'000
Amata-EGCO Power Co., Ltd.	Electricity generating	14.85	200,475	406,660	200,475
			<u>200,475</u>	<u>406,660</u>	<u>200,475</u>
				<u>390,914</u>	<u>390,914</u>

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7 Investments in subsidiaries and an associate and interests in joint ventures, net (continued)

7.3 The principal joint ventures, which are all incorporated in Thailand, except Conal Holdings Corporation and Nam Theun 2 Power Company Limited which are incorporated in Philippines and in the Republic of Laos, respectively, are as follows:

		Consolidated			
		31 March 2005		31 December 2004	
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Cost Method Baht'000	Equity Method Baht'000
Amata Power-Esco Service Co., Ltd.	Power plant operation	1,000	7,275	1,000	7,192
Nam Theun 2 Power Company Limited	Electricity generating (development phase)	753,249	-	753,249	-
		754,249	7,275	754,249	7,192

The investments in Amata Power-Esco Service Company Limited and Nam Theun 2 Power Company Limited were accounted for under the equity method but not proportionately consolidated in the interim consolidated financial statements because their financial statements were not material to the Group.

		Company			
		31 March 2005			
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000	
EGCO Joint Venture and Development Co., Ltd. (EGCO JD)	Investing in power energy business	50.00	348,360	605,460	-
Gulf Electric Public Co., Ltd. (Gulf)	Investing in power energy business	50.00	3,112,020	3,181,260	-
Conal Holdings Corporation (Conal)	Investing in power energy business	40.00	1,002,467	700,305	-
Nam Theun 2 Power Company Limited	Electricity generating (development phase)	25.00	753,249	-	-
				5,216,096	4,487,025
<u>Less Provision for impairment</u>				-	(394,406)
				5,216,096	4,092,619

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7 Investments in subsidiaries and an associate and interests in joint ventures, net (continued)

7.3 The principal joint ventures, which are all incorporated in Thailand, except Conal Holdings Corporation and Nam Theun 2 Power Company Limited which are incorporated in Philippines and in the Republic of Laos, respectively, are as follows (continued):

	Business	Portion of Investment (%)	Company 31 December 2004		
			Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000
EGCO Joint Venture and Development Co., Ltd. (EGCO JD)	Investing in power energy business	50.00	348,360	605,454	48,450
Gulf Electric Public Co., Ltd. (Gulf)	Investing in power energy business	50.00	3,112,020	3,160,610	-
Conal Holdings Corporation (Conal)	Investing in power energy business	40.00	1,002,467	659,262	57,624
Nam Theun 2 Power Company Limited	Electricity generating (development phase)	25.00	753,249	-	-
			5,216,096	4,425,326	106,074
Less Provision for impairment			-	(394,406)	-
			5,216,096	4,030,920	106,074

7.4 Interests in joint ventures

The following amounts represent the Group's share of the assets, liabilities, revenues and expenses of the joint ventures included in the interim consolidated financial statements:

As at	EGCO Joint Venture and Development Company Limited		Gulf Electric Public Company Limited		Conal Holdings Corporation	
	31 March 2005	31 December 2004	31 March 2005	31 December 2004	31 March 2005	31 December 2004
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Balance sheets						
Current assets	118,642	137,448	1,624,757	1,590,578	914,020	784,551
Non-current assets	798,691	789,081	7,400,969	7,198,862	1,186,458	1,176,341
Current liabilities	(64,393)	(58,340)	(736,314)	(789,096)	(364,833)	(336,742)
Non-current liabilities	(247,480)	(262,735)	(5,592,626)	(5,325,770)	(816,625)	(823,995)
Net assets	605,460	605,454	2,696,786	2,674,574	919,020	800,155
For the three-month periods ended 31 March	EGCO Joint Venture and Development Company Limited		Gulf Electric Public Company Limited		Conal Holdings Corporation	
	2005	2004	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Profit and Loss						
Revenues	54,291	68,591	652,054	661,983	199,337	192,210
Expenses	(54,285)	(55,635)	(629,842)	(658,199)	(119,350)	(153,030)
Net profit	6	12,956	22,212	3,784	79,987	39,180
Joint venture proportion (%)	50	50	50	50	40	40

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8 Capital expenditure and commitments

	Consolidated	Company
	Property, plant and equipment Baht'000	Property, plant and equipment Baht'000
	Goodwill Baht'000	
For the three-month period ended		
31 March 2005		
Opening net book value	31,283,164	1,158,532
Additions	235,124	-
Capitalisation of capital spare parts	136,057	-
Transfer capital spare parts out	(30,140)	-
Disposals, net	(6,311)	-
Depreciation and amortisation	(614,105)	(21,631)
Translation adjustments	31,258	260
Closing net book value	<u>31,035,047</u>	<u>735,369</u>

As at 31 March 2005, the Group has capital commitments in respect of construction of power plants and equipment but not yet recognised in the interim consolidated financial statements totalling US Dollars 65.22 million, Yen 26.95 million, Euro 53.25 million, CHF 138.03 million and Baht 1,505.26 million (31 December 2004 : US Dollars 64.66 million, Yen 26.95 million, Euro 53.25 million, CHF 137.88 million and Baht 1,462 million).

9 Long-term loans, net

The long-term loans are of subsidiaries and joint ventures as follows:

	Consolidated	
As at	31 March 2005 Baht'000	31 December 2004 Baht'000
Current portion of long-term loans, net		
US Dollars	2,124,093	2,112,038
Filipino Peso	12,883	12,536
Japanese Yen	35,605	36,657
Thai Baht	617,446	614,669
<u>Less</u> Deferred financing fee	(6,802)	(6,628)
	<u>2,783,225</u>	<u>2,769,272</u>
Long-term loans, net		
US Dollars	10,459,610	10,578,849
Filipino Peso	50,742	49,380
Japanese Yen	374,599	403,987
Thai Baht	4,864,529	4,600,693
<u>Less</u> Deferred financing fee, net	(196,866)	(201,807)
	<u>15,552,614</u>	<u>15,431,102</u>
Total long-term loans, net	<u>18,335,839</u>	<u>18,200,374</u>

9 Long-term loans, net (continued)

Long-term loans are secured liabilities. The long-term loans are secured over land, buildings, power plants and equipment of subsidiaries and joint ventures. The subsidiaries and joint ventures have to maintain cash reserves which are provided from the proceeds of sales of electricity for the purpose of repayment of principal and interest due within one year and as a reserve for minimising the exchange risk (referred to Note 4). In addition, the Power Purchase Agreements, the Asset Purchase Agreements, the Major Maintenance Agreements, insurance policies and other related agreements with the lenders have been assigned as collateral in accordance with the conditions under the Master Agreements.

The movements in the long-term loans can be analysed as follows:

	<u>Consolidated</u> <u>Baht'000</u>
For the three-month period ended 31 March 2005	
Opening net book amount	18,200,374
Additions of long-term loans	331,800
Repayments of long-term loans	(193,138)
Unrealised exchange gains	(35,668)
Amortisation of deferred financing fee	4,767
Translation adjustments	27,704
Closing net book amount	<u>18,335,839</u>

10 Debentures

The debentures are debentures in Thai Baht of two subsidiaries as follows:

As at	<u>Consolidated</u>	
	<u>31 March</u> <u>2005</u> <u>Baht'000</u>	<u>31 December</u> <u>2004</u> <u>Baht'000</u>
Current portion of debentures	630,806	630,806
Debentures, net	4,926,847	4,926,847
Total debentures	<u>5,557,653</u>	<u>5,557,653</u>

The debentures of Baht 5,617 million are secured liabilities. The subsidiaries are required to maintain reserves for repayment of principal and interest due within one year as described in Note 4 and to pledge the relevant agreements as collateral as described in Note 9.

The movements of debentures can be analysed as follows:

	<u>Consolidated</u> <u>Baht'000</u>
For the three-month period ended 31 March 2005	
Opening amount	5,557,653
Debentures issued	-
Repayments of debentures	-
Closing amount	<u>5,557,653</u>

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11 Share capital and premium on share capital

For the three-month period ended 31 March 2005

	Number of shares	Ordinary shares Baht'000	Premium on share capital Baht'000	Treasury stock Baht'000	Total Baht'000
Opening balance	526,465,000	5,264,650	8,601,300	(52,169)	13,813,781
Issue of shares	-	-	-	-	-
Closing balance	<u>526,465,000</u>	<u>5,264,650</u>	<u>8,601,300</u>	<u>(52,169)</u>	<u>13,813,781</u>

As at 31 March 2005, the total authorised number of ordinary shares is 530,000,000 shares (31 December 2004: 530,000,000 shares) with a par value of Baht 10 per share (31 December 2004: Baht 10 per share). The amount of 526,465,000 shares are issued and fully paid.

12 Related party transactions

Major shareholders of the Company are the Electricity Generating Authority of Thailand (EGAT) and CLP Power Projects (Thailand) Limited. They hold 25.41% and 22.42% of the Company's shares, respectively. The remaining Company's shares are widely held.

The information of the Company's subsidiaries, an associate and joint ventures is shown in Note 7.

The following material transactions were carried out with related parties:

(a) Sales of electricity

For the three-month periods ended 31 March	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Sales of electricity				
- Electricity Generating Authority of Thailand	3,183,902	3,358,255	-	-

The sales of electricity are calculated based on a "Cost plus basis".

The sales of electricity include the compensation amounts from exchange rate effects of approximately Baht 164 million and Baht 242 million for the three-month periods ended 31 March 2005 and 2004, respectively.

(b) Service income and major maintenance expenses

For the three-month periods ended 31 March	Consolidated		Company	
	2005	2004	2005	2004
	Baht'000	Baht'000	Baht'000	Baht'000
Service income				
- Electricity Generating Authority of Thailand	14,179	17,326	-	-
Major maintenance expenses				
- Electricity Generating Authority of Thailand	46,752	80,289	-	-

The service income and major maintenance expenses are calculated based on "Cost plus basis".

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12 Related party transactions (continued)

(c) Trade receivable from and trade payable to a related party

As at	Consolidated		Company	
	31 March 2005 Baht'000	31 December 2004 Baht'000	31 March 2005 Baht'000	31 December 2004 Baht'000
Trade receivable from a related party				
- Electricity Generating Authority of Thailand	1,423,913	2,058,354	-	-

Outstanding trade receivable as at 31 March 2005 and 31 December 2004 can be analysed as follow:

Up to 3 months	1,412,400	2,046,590	-	-
3 – 6 months	7,920	8,921	-	-
6 – 12 months	2,387	1,637	-	-
Over 12 months	1,206	1,206	-	-
	<u>1,423,913</u>	<u>2,058,354</u>	<u>-</u>	<u>-</u>

Trade payable to a related party				
- Electricity Generating Authority of Thailand	62,263	155,860	-	-

(d) Amounts due from and amounts due to related parties

As at	Consolidated		Company	
	31 March 2005 Baht'000	31 December 2004 Baht'000	31 March 2005 Baht'000	31 December 2004 Baht'000
<u>Amounts due from related parties</u>				
<u>Shareholder</u>				
- Electricity Generating Authority of Thailand	3,415	3,415	-	-
<u>Subsidiaries</u>				
- Rayong Electricity Generating Co., Ltd.	-	-	5,015	20
- Khanom Electricity Generating Co., Ltd.	-	-	3,184	1,794
- EGCO Engineering and Service Co., Ltd.	-	-	1,521	-
- Egcom Tara Co., Ltd.	-	-	777	10
- Thai LNG Power Corporation Ltd.	-	-	58	-
- TLP Cogeneration Co., Ltd.	-	-	1,366	20
- EGCO Green Energy Co., Ltd.	-	-	58	-
- Roi-Et Green Co., Ltd.	-	-	1,288	20
<u>Associate</u>				
- Amata-EGCO Power Co., Ltd.	13,397	12,947	13,397	12,946
<u>Joint ventures</u>				
- EGCO Joint Venture and Development Co., Ltd.	120	-	241	-
- Nam Theun 2 Power Company Limited	23,377	19,450	23,377	19,450
- Amata Power-Esco Service Co., Ltd.	2,282	2,023	-	-
<u>Related companies</u>				
- Amata Power (Rayong) Limited	17,145	17,145	-	-
- Amata Power Limited	2,250	7	-	-
- B. Grimm E.ON Electrowatt Limited	-	15	-	-
- Alsons Consolidated Resource, Inc. and affiliates	3,967	5,350	-	-
	<u>65,953</u>	<u>60,352</u>	<u>50,282</u>	<u>34,260</u>

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12 Related party transactions (continued)

(d) Amounts due from and amounts due to related parties (continued)

As at	Consolidated		Company	
	31 March 2005 Baht'000	31 December 2004 Baht'000	31 March 2005 Baht'000	31 December 2004 Baht'000
<u>Amounts due to related parties</u>				
<u>Subsidiaries</u>				
- Rayong Electricity Generating Co., Ltd.	-	-	8	4
- Khanom Electricity Generating Co., Ltd.	-	-	89	89
<u>Associate</u>				
- Amata-EGCO Power Co., Ltd.	5,559	5,244	-	-
<u>Joint ventures</u>				
- Amata Power-Esco Service Co., Ltd.	495	465	-	-
<u>Related companies</u>				
- Universal Utilities Co., Ltd.	6,189	6,455	-	-
- Amata Power Limited	1,173	1,261	-	-
- Alson Consolidated Resources, Inc. and affiliates	14,944	15,900	-	-
- Other	-	164	-	-
	<u>28,360</u>	<u>29,489</u>	<u>97</u>	<u>93</u>

(e) Loans to an associate and joint ventures

As at	Consolidated		Company	
	31 March 2005 Baht'000	31 December 2004 Baht'000	31 March 2005 Baht'000	31 December 2004 Baht'000
<u>Associate</u>				
- Amata-EGCO Power Co., Ltd.	32,490	32,490	32,490	32,490
<u>Joint ventures</u>				
- Gulf Electric Public Company Limited	175,000	175,000	350,000	350,000
- Nam Theun 2 Power Company Limited	700,162	464,441	700,162	464,441
	<u>907,652</u>	<u>671,931</u>	<u>1,082,652</u>	<u>846,931</u>

The loan to Amata-EGCO Power Company Limited is a long-term loan which was given on commercial terms and conditions. The repayment of principal and interest of these loans is restricted until certain conditions specified in the loan agreements, such as a required amount of cash reserves, are met.

The Company has entered into a Credit Facility Agreement with Gulf Electric Public Company Limited (GEC), dated 24 February 2004, to provide a term loan in an amount of Baht 450 million to GEC for the prepayment of long-term loan with a local commercial bank. The repayment terms and conditions under such Credit Facility Agreement are the same as original loan.

12 Related party transactions (continued)

(e) Loans to an associate and joint ventures (continued)

The Company has also entered into a Sponsors Loan Agreement with Nam Theun 2 Power Company Limited (NTPC), dated 19 December 2003 to provide a sponsor loan for the Nam Theun 2 Hydroelectric project in the total amount of US Dollars 24 million. The sponsor loan bears interest at LIBOR plus a certain margin. The repayment date of such loan together with interest is the earlier of 24 months from the signing date of this agreement and the date when the proceeds of the first drawdown, and the issuance of a notice declaring the outstanding loans made by non-defaulting shareholders. The agreement was amended on 29 April 2005 to determine the repayment of interest in a total amount of US Dollar 2.25 million, being a portion of the Company at US Dollar 0.75 million. The Company shall receive the repayment of interest within 30 days after the first drawn down of loans from the lenders.

(f) Investments in debentures issued by a subsidiary and related interests

As at	Consolidated		Company	
	31 March 2005 Baht'000	31 December 2004 Baht'000	31 March 2005 Baht'000	31 December 2004 Baht'000
Investment in debentures				
- Khanom Electricity Generating Co., Ltd.	-	-	47,138	47,138
Interest receivable				
- Khanom Electricity Generating Co., Ltd.	-	-	2,619	437
For the three-month periods ended 31 March	Consolidated		Company	
	2005 Baht'000	2004 Baht'000	2005 Baht'000	2004 Baht'000
Interest income				
- Khanom Electricity Generating Co., Ltd.	-	-	2,183	2,412
Interest expenses				
- Rayong Electricity Generating Co., Ltd.	-	-	-	279
- Khanom Electricity Generating Co., Ltd.	-	-	-	2,285
	-	-	-	2,564

13 Financial instruments

Joint venture – Gulf

For the three-month period ended 31 March 2005, a subsidiary of the joint venture – Gulf has entered into the foreign currency forward contracts to minimise exchange rate risk incurred from the Construction Contract and Supply Contract. As at 31 March 2005, the fixed rates and the maturities of the contracts are as follows:

Foreign Currency Forward Contracts	Foreign Currencies	Contract amounts (millions)	Fixed Exchange Rates	Contract Periods
Baht	US Dollars	19.53	38.40 to 39.36 Baht	6 January 2005 – 14 January 2008
Baht	Euros	28.86	50.88 to 53.45 Baht	6 January 2005 – 14 January 2008
Baht	CHF	79.65	33.09 to 36.80 Baht	6 January 2005 – 14 January 2008
US Dollars	Euros	72.35	1.31 to 1.33 US Dollars	12 January 2005 – 2 October 2006
US Dollars	CHF	187.33	1.14 to 1.17 US Dollars	12 January 2005 – 2 October 2006

14 Commitments and contingent liabilities

For the three-month period ended 31 March 2005, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 December 2004 except the followings:

Commitments and contingent liabilities of the Company

- (a) As at 31 March 2005, the Company has commitments under Sponsor Support Agreements, which were made in respect of loans of subsidiaries and an associate totalling Baht 772 million.
- (b) As at 31 March 2005, the Company has commitments under Counter Guarantee and Standby Letters of Credit issued on behalf of the Company to a subsidiary and joint ventures of Baht 4,843 million.
- (c) As a credible, high-quality company, the Company is committed to administering its obligations in compliance with good corporate governance. The contingent liabilities are considered, in terms of default risk, into two categories: low risk and high risk liabilities. The Company has, accordingly, set up a reserve fund of 10% of high risk liabilities totalling Baht 407 million. As at 31 March 2005, the Company has fully reserved such fund. This is included in cash and cash equivalents and short-term investments in the balance sheet.

Commitments and contingent liabilities of joint ventures

Joint venture – EGCO JD

In March 2005, Electricity Generating Authority of Thailand (EGAT) issued a letter to an associate of a joint venture – EGCO JD (EGCO JD) – informing it to pay for a charge in the total amount of Baht 92.8 million as a result of it not passing the test in the utilization of steam to thermal process of not less than 10% of total energy production according to the PPA. However, the associate of EGCO JD requested EGAT to delay the imposition of this charge. In April 2005, EGAT issued a letter to confirm that the charge of the said amount be paid. Nevertheless, the management of the associate of EGCO JD is currently negotiating with EGAT, the outcome of which has not been reached yet at the date of this report. The Group has not yet recognised the provision in the proportion of the Group of Baht 14 million in the consolidated and company financial statements for the three-month period ended 31 March 2005 because the amount is not material to the Group.

15 Post balance sheet events

At the Annual General Shareholders' meeting dated 25 April 2005, it was unanimously resolved to pay dividends in respect of the operating results for the second half year ended 2004 for 525,164,200 shares at Baht 1.50 per share, totalling Baht 788 million. These dividends will be paid in May 2005.

On 29 April 2005, a subsidiary of Gulf entered into an Interest Rate Swap Contract from floating rates to fixed at 4.02% per annum if LIBOR is less than or equal to 6% per annum. If LIBOR is more than 6% per annum, the interest rate shall be LIBOR minus 0.25% per annum. The contract is effective from 7 September 2005 to 7 September 2015 for US Dollars long-term loans amounting to US Dollars 18.03 million.