

ELECTRICITY GENERATING PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND COMPANY  
FINANCIAL STATEMENTS  
(UNAUDITED)

31 March 2007

## **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 2007 and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2007 and 2006 of Electricity Generating Public Company Limited and its subsidiaries and of Electricity Generating Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim 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 interim 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 in the first paragraph 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 2006 of Electricity Generating Public Company Limited and its subsidiaries and of Electricity Generating Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 12 February 2007. As discussed in Note 2 to the interim consolidated and company financial statements, from 1 January 2007, the Group has changed its accounting policies for investments in subsidiaries and associates and interests in joint ventures in the consolidated and company financial statements as described in (a) and (b) and the Group has applied retrospective adjustments. Therefore, the consolidated and company balance sheets as at

31 December 2006, as part of the consolidated and company financial statements which I have audited and issued a report thereon as stated above, and the interim consolidated and company financial statements for the three-month period ended 31 March 2006, presented for comparative purposes, are restated.

- (a) The Group has changed its accounting policy for investments in subsidiaries and associates and interests in joint ventures in the company financial statements from equity method to cost method to comply with the Federation of Accounting Professions' announcement; and
- (b) The Group has changed its accounting policy for interests in joint ventures in the consolidated financial statements from proportionate consolidation to equity method because the Group has considered that the use of equity method better reflects the economic reality of the Group.

Suchart Luengsuraswat  
Certified Public Accountant (Thailand) No. 2807  
PricewaterhouseCoopers ABAS Limited

Bangkok  
4 May 2007

**Electricity Generating Public Company Limited**  
**Balance Sheets**  
**As at 31 March 2007 and 31 December 2006**

		<b>Consolidated</b>		<b>Company</b>	
		<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>Notes</b>	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
		<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
			<b>Restated</b>		<b>Restated</b>
		<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents		2,969,034	5,601,550	1,142,947	4,129,760
Short-term investments					
- Deposits at financial institutions		158,580	129,215	856	856
- Marketable securities		67,766	93,948	42,261	68,417
Short-term investments used as collateral	6				
- Deposits at financial institutions		2,669,692	2,273,028	-	-
- Marketable securities		26,000	26,000	-	-
Trade receivables	7	163,667	157,625	-	-
Trade receivable from a related party	14	1,642,834	1,888,195	-	-
Dividend receivables from subsidiaries		-	-	3,191,750	1,509,295
Current portion of long-term loans					
to related parties	14	100,000	100,000	912,760	912,760
Amounts due from related parties	14	231,301	215,556	257,036	208,219
Spare parts and supplies, net		3,457,360	3,547,390	-	-
Other current assets		374,355	385,092	9,380	14,729
<b>Total Current Assets</b>		<b>11,860,589</b>	<b>14,417,599</b>	<b>5,556,990</b>	<b>6,844,036</b>
<b>Non-Current Assets</b>					
Long-term investments in marketable securities					
and others	14	2,852,372	2,952,042	2,909,641	3,005,873
Deposits at financial institutions used as collateral	6	1,166	1,040	-	-
Long-term loans to related parties, net	14	-	-	2,567,240	2,567,240
Investments in subsidiaries	8	-	-	12,021,167	12,021,167
Interests in joint ventures, net	8	17,265,380	12,378,009	15,381,833	12,088,878
Property, plant and equipment, net	9	19,756,185	20,139,182	696,943	708,357
Goodwill, net	9	221,591	225,222	-	-
Other non-current assets, net		360,127	347,423	247,091	232,503
<b>Total Non-Current Assets</b>		<b>40,456,821</b>	<b>36,042,918</b>	<b>33,823,915</b>	<b>30,624,018</b>
<b>Total Assets</b>		<b>52,317,410</b>	<b>50,460,517</b>	<b>39,380,905</b>	<b>37,468,054</b>

For Director .....

The notes to the interim consolidated and company financial statements on pages 10 to 31 are an integral part of these interim financial statements.

**Electricity Generating Public Company Limited**  
**Balance Sheets**  
**As at 31 March 2007 and 31 December 2006**

	Notes	Consolidated		Company	
		Unaudited 31 March 2007 Baht'000	Audited 31 December 2006 Restated Baht'000	Unaudited 31 March 2007 Baht'000	Audited 31 December 2006 Restated Baht'000
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Short-term loans from financial institutions	10	4,350,000	-	4,350,000	-
Trade payables		335,864	599,608	-	-
Trade payable to a related party	14	70,162	100,265	-	-
Amounts due to related parties	14	6,386	4,647,523	12	4,645,003
Current portion of long-term loans from financial institutions, net	11	1,508,650	1,539,928	-	-
Debentures due within one year	12	652,090	652,090	-	-
Other current liabilities					
- Interest payable	14	178,895	49,705	-	-
- Value added tax payable		128,551	157,520	-	-
- Corporate income tax payable		562,099	466,846	-	-
- Others		247,916	380,263	57,091	164,722
<b>Total Current Liabilities</b>		<b>8,040,613</b>	<b>8,593,748</b>	<b>4,407,103</b>	<b>4,809,725</b>
<b>Non-Current Liabilities</b>					
Long-term loans from financial institutions, net	11	2,232,392	2,364,362	-	-
Debentures, net	12	2,956,729	2,956,729	-	-
Net liabilities in a joint venture	8	678,553	619,761	-	-
Other non-current liabilities		6,576	6,794	538	538
<b>Total Non-Current Liabilities</b>		<b>5,874,250</b>	<b>5,947,646</b>	<b>538</b>	<b>538</b>
<b>Total Liabilities</b>		<b>13,914,863</b>	<b>14,541,394</b>	<b>4,407,641</b>	<b>4,810,263</b>
<b>Shareholders' Equity</b>					
Share capital					
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		8,601,300	8,601,300	8,601,300	8,601,300
Premium on treasury stock		47,373	47,373	47,373	47,373
Retained earnings					
Appropriated					
- Legal reserve		530,000	530,000	530,000	530,000
Unappropriated		22,737,945	20,199,878	19,811,253	17,404,076
Unrealised gains on investments in marketable securities - available-for-sale					
		685,196	780,338	718,688	810,392
Translation adjustments		(10,242)	(13,808)	-	-
<b>Total parent's shareholders' equity</b>		<b>37,856,222</b>	<b>35,409,731</b>	<b>34,973,264</b>	<b>32,657,791</b>
Minority interest		546,325	509,392	-	-
<b>Total Shareholders' Equity</b>		<b>38,402,547</b>	<b>35,919,123</b>	<b>34,973,264</b>	<b>32,657,791</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>52,317,410</b>	<b>50,460,517</b>	<b>39,380,905</b>	<b>37,468,054</b>

The notes to the interim consolidated and company financial statements on pages 10 to 31 are an integral part of these interim financial statements.

## Statements of Income

For the three-month periods ended 31 March 2007 and 2006

	Notes	Consolidated		Company	
		2007	2006	2007	2006
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
<b>Revenues</b>					
Sales and service income	14	2,753,283	3,669,520	-	-
Cost of sales and services	14	(1,361,782)	(1,370,360)	-	-
<b>Gross profit</b>		1,391,501	2,299,160	-	-
Administrative expenses		(223,082)	(155,168)	(136,481)	(56,509)
<b>Profit (loss) from sales and services</b>		1,168,419	2,143,992	(136,481)	(56,509)
Other income					
- Interest income	14	69,547	131,777	75,263	46,212
- Dividend income		82,462	100,627	82,462	100,627
- Dividend income from subsidiaries		-	-	2,372,455	1,865,151
- Others		17,180	37,915	35,363	54,924
Directors' remuneration		(1,637)	(1,723)	(1,565)	(1,530)
Currency exchange gains		64,425	388,284	-	-
<b>Operating profit</b>		1,400,396	2,800,872	2,427,497	2,008,875
Share of loss exceed interest in a joint venture	8	(78,513)	(22,918)	-	-
Share of profit (loss) from subsidiaries and interests in joint ventures	8	1,610,572	(35,910)	-	-
<b>Profit before interest and tax</b>		2,932,455	2,742,044	2,427,497	2,008,875
Interest expenses	14	(190,708)	(336,609)	(20,320)	-
Corporate income tax		(162,544)	(285,561)	-	-
<b>Profit before minorities</b>		2,579,203	2,119,874	2,407,177	2,008,875
Profit attributable to minorities		41,136	50,247	-	-
<b>Net profit for the period</b>		2,538,067	2,069,627	2,407,177	2,008,875
<b>Basic earnings per share (Baht)</b>					
Net profit for the period	5	4.82	3.93	4.57	3.82

Electricity Generating Public Company Limited  
**Statements of Changes in Shareholders' Equity**  
**For the three-month periods ended 31 March 2007 and 2006**

Unaudited

<b>Consolidated</b>									
Note	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Premium on treasury stock Baht'000	Legal reserve Baht'000	Retained earnings Baht'000	Fair value reserve Baht'000	Translation adjustments Baht'000	Minority interest Baht'000	Total Baht'000
<b>Opening balance as at 1 January 2007</b>									
- As previously reported	5,264,650	8,601,300	47,373	530,000	20,199,878	780,338	(13,808)	1,174,794	36,584,525
- Effect from changes in accounting policies	2	-	-	-	-	-	-	(665,402)	(665,402)
- As restated	5,264,650	8,601,300	47,373	530,000	20,199,878	780,338	(13,808)	509,392	35,919,123
Translation adjustments	-	-	-	-	-	-	3,566	-	3,566
Net profit for the period	-	-	-	-	2,538,067	-	-	-	2,538,067
Unrealised losses on investments in marketable securities									
- available-for-sale	-	-	-	-	-	(95,142)	-	-	(95,142)
Dividends paid	-	-	-	-	-	-	-	(4,203)	(4,203)
Minority interest	-	-	-	-	-	-	-	41,136	41,136
<b>Closing balance as at 31 March 2007</b>	<u>5,264,650</u>	<u>8,601,300</u>	<u>47,373</u>	<u>530,000</u>	<u>22,737,945</u>	<u>685,196</u>	<u>(10,242)</u>	<u>546,325</u>	<u>38,402,547</u>
<b>Opening balance as at 1 January 2006</b>									
- As previously reported	5,264,650	8,601,300	47,373	530,000	16,107,740	587,384	(97,104)	1,073,169	32,114,512
- Effect from changes in accounting policies	2	-	-	-	-	-	-	(611,215)	(611,215)
- As restated	5,264,650	8,601,300	47,373	530,000	16,107,740	587,384	(97,104)	461,954	31,503,297
Translation adjustments	-	-	-	-	-	-	6,266	-	6,266
Net profit for the period	-	-	-	-	2,069,627	-	-	-	2,069,627
Unrealised gains (losses) on investments in marketable securities - available-for-sale	-	-	-	-	-	121,003	-	(4)	120,999
Dividends paid	-	-	-	-	-	-	-	(10,324)	(10,324)
Minority interest	-	-	-	-	-	-	-	50,247	50,247
<b>Closing balance as at 31 March 2006</b>	<u>5,264,650</u>	<u>8,601,300</u>	<u>47,373</u>	<u>530,000</u>	<u>18,177,367</u>	<u>708,387</u>	<u>(90,838)</u>	<u>501,873</u>	<u>33,740,112</u>

The notes to the interim consolidated and company financial statements on pages 10 to 31 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 2007 and 2006

Unaudited

								Company
	Issued and paid-up share capital	Premium on share capital	Premium on treasury stock	Legal reserve	Retained earnings	Fair value reserve	Translation adjustments	Total
Note	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b>Opening balance as at 1 January 2007</b>								
- As previously reported	5,264,650	8,601,300	47,373	530,000	20,199,878	810,392	(13,808)	35,439,785
- Effect from changes in accounting policies	-	-	-	-	(2,795,802)	-	13,808	(2,781,994)
- As restated	5,264,650	8,601,300	47,373	530,000	17,404,076	810,392	-	32,657,791
Net profit for the period	-	-	-	-	2,407,177	-	-	2,407,177
Unrealised losses on investments in marketable securities - available-for-sale	-	-	-	-	-	(91,704)	-	(91,704)
<b>Closing balance as at 31 March 2007</b>	<b>5,264,650</b>	<b>8,601,300</b>	<b>47,373</b>	<b>530,000</b>	<b>19,811,253</b>	<b>718,688</b>	<b>-</b>	<b>34,973,264</b>
<b>Opening balance as at 1 January 2006</b>								
- As previously reported	5,264,650	8,601,300	47,373	530,000	16,107,740	625,130	(97,104)	31,079,089
- Effect from changes in accounting policies	-	-	-	-	549,544	-	97,104	646,648
- As restated	5,264,650	8,601,300	47,373	530,000	16,657,284	625,130	-	31,725,737
Net profit for the period (restated)	-	-	-	-	2,008,875	-	-	2,008,875
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	-	124,867	-	124,867
<b>Closing balance as at 31 March 2006</b>	<b>5,264,650</b>	<b>8,601,300</b>	<b>47,373</b>	<b>530,000</b>	<b>18,666,159</b>	<b>749,997</b>	<b>-</b>	<b>33,859,479</b>

The notes to the interim consolidated and company financial statements on pages 10 to 31 are an integral part of these interim financial statements.



## Statements of Cash Flows

For the three-month periods ended 31 March 2007 and 2006

	Note	Consolidated		Company	
		2007	2006	2007	2006
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
<b>Cash flows from operating activities</b>					
Net profit for the period		2,538,067	2,069,627	2,407,177	2,008,875
Adjustments to reconcile net profit to net cash provided by operations:					
- Depreciation and amortisation		528,707	520,151	11,825	11,375
- Allowance for obsolescence		(328)	175	-	-
- Unrealised currency exchange gains		(63,512)	(377,900)	-	-
- (Gains) losses on disposals of equipment		48	(3)	48	-
- Losses on disposals of long-term investments		3,684	-	3,684	-
- Dividends received from other companies		(82,462)	(100,627)	(82,462)	(100,627)
- Dividends received from subsidiaries		-	-	(2,372,455)	(1,865,151)
- Share of loss exceed an interest in a joint venture	8	78,513	22,918	-	-
- Share of (profit) loss from subsidiaries and interests in joint ventures	8	(1,610,572)	35,910	-	-
- Profit attributable to minorities		41,136	50,247	-	-
Cash flows before changes in operating assets and liabilities		1,433,281	2,220,498	(32,183)	54,472
Changes in operating assets and liabilities: (excluding the effects of acquisition and disposal)					
- Deposits at financial institutions used as collateral		(406,196)	(2,467,414)	-	-
- Trade receivables and trade receivable from a related party		239,319	452,866	-	-
- Amounts due from related parties		(121,086)	(55,936)	(48,816)	(87,832)
- Spare parts and supplies		14,945	(57,900)	-	-
- Other current and non-current assets		(2,745)	(216,674)	(9,250)	(4,795)
- Trade payables and trade payable to a related party		(188,054)	88,377	-	-
- Amounts due to related parties		67,683	9,236	(3)	(2,047)
- Other current and non-current liabilities		(5,675)	481,305	(107,294)	(52,244)
Net cash receipts (payments) from operating activities		1,031,472	454,358	(197,546)	(92,446)

The notes to the interim consolidated and company financial statements on pages 10 to 31 are an integral part of these interim financial statements.

## Statements of Cash Flows

For the three-month periods ended 31 March 2007 and 2006

	Note	Consolidated		Company	
		2007	2006	2007	2006
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
<b>Cash flows from investing activities</b>					
Cash paid for increase in share capital of joint ventures		(7,937,955)	(90,155)	(7,937,955)	(90,155)
Net cash payment from deposits at financial institutions		(20,000)	-	-	-
Net cash receipts (payments) from short-term investments		17,634	(43,128)	27,000	(3,100)
Net cash receipts from long-term investments		27	-	-	-
Net purchases of property, plant and equipment		(63,858)	(29,861)	(450)	(175)
Dividends received from subsidiaries		-	-	690,000	600,000
Dividends received from other companies		82,462	100,627	82,462	100,627
Net cash receipts (payments) from investing activities		<u>(7,921,690)</u>	<u>(62,517)</u>	<u>(7,138,943)</u>	<u>607,197</u>
<b>Cash flows from financing activities</b>					
Payments on finance lease liabilities		(218)	(134)	-	-
Proceeds from short-term loans from financial institutions		4,350,000	-	4,350,000	-
Payments on long-term loans from financial institutions	10	(91,755)	(83,822)	-	-
Dividends paid to shareholders		(325)	(256)	(325)	(256)
Net cash receipts (payments) from financing activities		<u>4,257,702</u>	<u>(84,212)</u>	<u>4,349,675</u>	<u>(256)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<u>(2,632,516)</u>	<u>307,629</u>	<u>(2,986,814)</u>	<u>514,495</u>
Beginning balance		<u>5,601,550</u>	<u>7,842,144</u>	<u>4,129,761</u>	<u>2,627,988</u>
Ending balance		<u>2,969,034</u>	<u>8,149,773</u>	<u>1,142,947</u>	<u>3,142,483</u>
<b>Cash and cash equivalents are made up as follows:</b>					
- Cash in hand and deposits at financial institutions		879,905	104,643	54,840	44,408
- Short-term investments - maturity within three months		<u>2,089,129</u>	<u>8,045,130</u>	<u>1,088,107</u>	<u>3,098,075</u>
		<u>2,969,034</u>	<u>8,149,773</u>	<u>1,142,947</u>	<u>3,142,483</u>
<b>Supplementary information for cash flows:</b>					
- Interest paid		61,517	56,695	20,320	-
<b>Non-cash transactions</b>					
- Reclassification of utilised capital spare parts to property, plant and equipment		138,673	257,619	-	-
- Reclassification of unutilised capital spare parts from property, plant and equipment		63,260	65,903	-	-
- Increase in property, plant and equipment by payables		7,452	-	-	-
- Reclassification of advance payment to property, plant and equipment		-	6,200	-	-

The notes to the interim consolidated and company financial statements on pages 10 to 31 are an integral part of these interim financial statements.

## **1 Accounting policies**

### **1.1 Basis of preparation**

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 No. 41 "Interim Financial Reporting" and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

An English version of the interim consolidated and company financial statements has been prepared from the interim 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 interim financial statements shall prevail.

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 2006, except the accounting policy for investments in subsidiaries and associates and interests in joint ventures as discussed in Note 2.

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.

These interim financial statements should be read in conjunction with the 2006 annual financial statements.

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

These interim consolidated and company financial statements were authorised for issue by the President of the Company on 4 May 2007.

### **1.2 Amendment to accounting standards effective in 2007 and 2008**

On 2 May 2007, the Federation of Accounting Professions (FAP) announced the amendment to Thai Accounting Standards (TAS) as follows:

TAS 25	"Cash flow statement"
TAS 33	"Borrowing costs"
TAS 44	"Consolidated financial statements and separate financial statements"
TAS 45	"Investments in associates"
TAS 46	"Interests in joint ventures"
TAS 49	"Construction contracts"

The effective date for the revised TAS 44 "Consolidated financial statements and separate financial statements", TAS 45 "Investments in associates" and TAS 46 "Interests in joint ventures" is for the accounting periods beginning on or after 1 January 2007 as discussed in Note 2.1.

TAS 25 "Cash flow statement", TAS 33 "Borrowing costs" and TAS 49 "Construction contracts" will be effective for the accounting periods beginning on or after 1 January 2008. However, the Group's management assessed and determined that the revised standards shall not impact significantly to the financial statements being presented.

**2 Changes in accounting policies**

**2.1 Accounting standard which effective from 1 January 2007**

According to the notification of Federation of Accounting Professions No.26/2549 dated on 11 October 2006 and No.32/2549 dated on 3 November 2006 relating to amendment of TAS 44 “Consolidated financial statements and accounting for investments in subsidiaries” and TAS 45 “Accounting for investments in associates” which require the change from equity method of accounting to cost method of accounting for investments in subsidiaries and associates presented in the company financial statements. Under the cost method, income from investment will be recorded when dividends are declared. The notification is mandatory from 1 January 2007. The Group has applied such method for investments in subsidiaries and associates and has also applied the same method of accounting for interests in joint ventures presented in the company financial statements. The change in the accounting policy has an impact to the company financial statements only and does not have an impact to the consolidated financial statements.

The Group has adopted the cost method since 1 January 2007 and has applied the retrospective adjustments. The effects of the change to the company balance sheet as at 31 December 2006 and the company statement of income for the three-month period ended 31 March 2006 are as follows:

	<u>Baht’000</u>
<b>Balance sheet as at 31 December 2006</b>	
Decrease in investments in subsidiaries	(5,036,005)
Increase in interests in joint ventures, net	722,806
Decrease in net liabilities in a joint venture	(619,761)
Decrease in other liabilities	(911,444)
Increase in translation adjustment	13,808
Decrease in retained earnings as at 31 December 2006	(2,795,802)
<b>Statement of income for the three-month period ended 31 March 2006</b>	
Decrease in net profit	(36,576)
Decrease in basic earnings per share (Baht)	(0.07)

**2.2 Accounting policy for interests in joint ventures in the consolidated financial statements**

Commencing 1 January 2007, the Group has changed its accounting policy for interests in joint ventures in the consolidated financial statements from proportionate consolidation to equity method. The Group has considered and determined that the use of equity method, which is in compliance with TAS 46 “Interests in joint ventures”, better reflects the economic reality of the Group. The Group has applied the retrospective adjustments for this change in accounting policy.

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

---

**2 Changes in accounting policies** (continued)

**2.2 Accounting policy for interests in joint ventures in the consolidated financial statements** (continued)

The effects of the changes on the consolidated balance sheet as at 31 December 2006 and the consolidated statement of income for the three-month period ended 31 March 2006 are as follows:

	<b>Baht'000</b>
	<b><u>Increase (decrease)</u></b>
<b>Consolidated balance sheet as at 31 December 2006</b>	
Increase in current portion of long-term loans to related parties	50,000
Decrease in other current assets	(4,099,662)
Increase in interests in joint ventures, net	5,294,894
Decrease in property, plant and equipment, net	(21,107,998)
Decrease in goodwill, net	(789,610)
Decrease in other non-current assets	(773,337)
Decrease in other current liabilities	(1,813,152)
Decrease in long-term loans from financial institutions, net	(14,953,920)
Decrease in debentures, net	(2,728,332)
Increase in net liabilities in a joint venture	619,761
Decrease in other non-current liabilities	(1,884,669)
Decrease in minority interest	(665,401)
<b>Consolidated statement of income for the three-month period ended 31 March 2006</b>	
Decrease in sales and service income	(1,048,020)
Decrease in cost of sales and services	(787,403)
Decrease in other income	(17,853)
Decrease in administrative expenses	(118,218)
Increase in share of loss from interests in joint ventures	75,446
Increase in share of loss exceed interest in a joint venture	22,918

**3 Corporate income tax**

The Group records corporate income tax on an accrual basis. The Group does not recognise corporate income tax payable or receivable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim financial statements. Corporate income tax expense is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 5.93% (2006: 11.87%).

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

---

**4 Segment information**

**Financial information by geographical segments**

	Thailand Baht'000	Lao People's Democratic Republic Baht'000	Philippines Baht'000	Consolidation eliminations Baht'000	Consolidated Baht'000
<b>For the three-month period ended 31 March 2007</b>					
Sales and service income	2,782,529	-	-	(29,246)	2,753,283
Share of loss exceed interest in a joint venture	-	(78,513)	-	-	(78,513)
Share of profit	1,600,399	-	10,173	-	1,610,572
Segment result	2,581,093	-	-	(43,026)	2,538,067
<b>For the three-month period ended 31 March 2006 (restated)</b>					
Sales and service income	3,701,557	-	-	(32,037)	3,669,520
Share of loss exceed interest in a joint venture	-	(22,918)	-	-	(22,918)
Share of profit (loss)	(79,360)	-	43,450	-	(35,910)
Segment result	2,120,657	-	-	(51,030)	2,069,627

**5 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 (2007 and 2006 : 526,465,000 shares).

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

**6 Short-term and long-term investments used as collateral**

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

Deposits at financial institutions used as collateral are mainly of Khanom Electricity Generating Company Limited (KEGCO), and TLP Cogeneration Company Limited (TLP Cogen) and comprise cash reserves required to be maintained under their loan agreements and debenture agreement for the purpose of repayment of principal and payment of interest due within one year, and as a reserve to minimise exchange rate risk. These cash reserves are provided from the proceeds of sale of electricity (referred to Notes 11 and 12). As at 31 March 2007, these cash reserves amounted to Baht 1,024 million (31 December 2006: Baht 295 million). The remaining balance of short-term and long-term investments used as collateral of Baht 1,673 million (31 December 2006: Baht 2,005 million) represented collateralised deposits maintained in accordance with the loan agreements but which can be used subject to certain lender approvals.

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

**7 Trade receivables**

Trade receivables as at 31 March 2007 and 31 December 2006 can be analysed as follows:

As at	Consolidated		Company	
	31 March 2007	31 December 2006 Restated	31 March 2007	31 December 2006
	Baht'000	Baht'000	Baht'000	Baht'000
Not over due	158,962	121,085	-	-
Overdue below 3 months	2,017	28,227	-	-
Overdue 3 - 6 months	-	5,625	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue over 12 months	2,688	2,688	-	-
Total trade receivables	<u>163,667</u>	<u>157,625</u>	<u>-</u>	<u>-</u>

**8 Investments in subsidiaries and interests in joint ventures, net**

As at	Consolidated		Company	
	31 March 2007	31 December 2006 Restated	31 March 2007	31 December 2006 Restated
	Baht'000	Baht'000	Baht'000	Baht'000
Investments in subsidiaries	-	-	12,021,167	12,021,167
Interests in joint ventures	17,659,786	12,772,415	15,776,239	12,483,284
<u>Less</u> Provision for impairment	<u>(394,406)</u>	<u>(394,406)</u>	<u>(394,406)</u>	<u>(394,406)</u>
	<u>17,265,380</u>	<u>12,378,009</u>	<u>15,381,833</u>	<u>12,088,878</u>
Investments in subsidiaries and interests in joint ventures, net	<u>17,265,380</u>	<u>12,378,009</u>	<u>27,403,000</u>	<u>24,110,045</u>

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

	Consolidated Baht'000	Company Baht'000
<b>For the three-month period ended 31 March 2007</b>		
Opening net book value		
- As previously reported	7,083,115	28,423,244
- Effect from changes in accounting policies (Note 2)	5,294,894	(4,313,199)
- As restated	12,378,009	24,110,045
Share of profit from subsidiaries and interests in joint ventures	1,610,572	-
Increase in share capital of joint ventures	3,292,955	3,292,955
Translation adjustments	(16,156)	-
Closing net book value	<u>17,265,380</u>	<u>27,403,000</u>

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

**8 Investments in subsidiaries and interests in joint ventures, net (continued)**

8.1 Investment in subsidiaries

The principal subsidiaries are as follows:

		<b>Company</b>		
		<b>31 March 2007</b>		
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Dividend Baht'000</b>	
	(including indirect holding)			
<b><u>Subsidiaries incorporated in Thailand</u></b>				
Rayong Electricity Generating Co., Ltd.	Electricity generating	99.99	4,702,200	1,258,313
Khanom Electricity Generating Co., Ltd.	Electricity generating	99.99	4,850,000	931,442
EGCO Engineering and Service Co., Ltd. and its subsidiaries and joint venture	Power plant operation and maintenance services	99.99	400,000	182,700
- Subsidiaries				
- Agro Energy Co., Ltd.	Trading / delivery services of natural scrap	99.99		
- Egcom Tara Co., Ltd.	Tap water business	70.00		
- Joint venture				
- Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00		
EGCO Green Energy Co., Ltd. and its subsidiary	Investing in biomass fueled electricity generating plant	74.00	129,500	-
- Roi-Et Green Co., Ltd.	Develop, design, construct and test operation of husk fueled electricity generating plant	95.00		
Thai LNG Power Corporation Limited and its subsidiary	Investing in power energy projects	100.00	513,000	-
- TLP Cogeneration Co., Ltd.	Electricity generating	80.00	424,000	-
<b><u>Subsidiary incorporated in British Virgin Islands</u></b>				
EGCO International B.V.I and its joint venture	Investing in power energy projects	99.99	1,002,467	-
- Conal Holdings Corporation (Conal) (incorporated in Philippines)	Investing in power energy business	40.00		
Total investments in subsidiaries			<u>12,021,167</u>	<u>2,372,455</u>

As at 31 March 2007, dividend receivable amounting to Baht 3,192 million was recognised in the interim company 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 2007 and 2006**

**8 Investments in subsidiaries and interests in joint ventures, net (continued)**

8.1 Investment in subsidiaries (continued)

The principal subsidiaries are as follows (continued):

		<b>Company</b>		
		<b>31 December 2006</b>		
		<b>Restated</b>		
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Dividend Baht'000</b>	
	(including indirect holding)			
<b><u>Subsidiaries incorporated in Thailand</u></b>				
Rayong Electricity Generating Co., Ltd.	Electricity generating	99.99	4,702,200	2,743,716
Khanom Electricity Generating Co., Ltd.	Electricity generating	99.99	4,850,000	2,343,411
EGCO Engineering and Service Co., Ltd. and its subsidiaries and joint venture	Power plant operation and maintenance services	99.99	400,000	-
- Subsidiaries				
- Agro Energy Co., Ltd.	Trading / delivery services of natural scrap	99.99		
- Egcom Tara Co., Ltd.	Tap water business	70.00		
- Joint venture				
- Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00		
EGCO Green Energy Co., Ltd. and its subsidiary	Investing in biomass fueled electricity generating plant	74.00	129,500	88,003
- Roi-Et Green Co., Ltd.	Develop, design, construct and test operation of husk fueled electricity generating plant	95.00		
Thai LNG Power Corporation Limited and its subsidiary	Investing in power energy projects	100.00	513,000	148,585
- TLP Cogeneration Co., Ltd.	Electricity generating	80.00	424,000	148,585
<b><u>Subsidiary incorporated in British Virgin Islands</u></b>				
EGCO International B.V.I and its joint venture	Investing in power energy projects	99.99	1,002,467	-
- Conal Holdings Corporation (Conal) (incorporated in Philippines)	Investing in power energy business	40.00		
Total investments in subsidiaries			<u>12,021,167</u>	<u>5,472,300</u>

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

**8 Investments in subsidiaries and interests in joint ventures, net (continued)**

8.2 Interests in joint ventures

The principal joint ventures are as follows:

		<b>Consolidated</b>			
		<b>31 March 2007</b>			
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	<b>Dividend Baht'000</b>	
	(including indirect holding)				
<b><u>Joint ventures incorporated in Thailand</u></b>					
Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00	1,000	10,457	-
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	731,611	-
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	5,779,630	6,007,357	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	8,895,000	10,169,364	-
<b><u>Joint venture incorporated in Philippines</u></b>					
Conal Holdings Corporation (Conal) and its subsidiaries	Investing in power energy business	40.00	1,002,467	740,997	-
			16,026,457	17,659,786	-
<u>Less</u> Provision for impairment			(394,406)	(394,406)	-
Total interests in joint ventures, net			<u>15,632,051</u>	<u>17,265,380</u>	-

As at 31 March 2007, according to the conditions under the loan agreement of a joint venture (BLCP), the common shares of BLCP were pledged as collateral for its long-term loans.



**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

---

**8 Investments in subsidiaries and interests in joint ventures, net (continued)**

8.2 Interests in joint ventures (continued)

The principal joint ventures are as follows (continued):

		<u>Company</u>		
		<u>31 March 2007</u>		
<u>Business</u>	<u>Portion of Investment (%)</u> (including indirect holding)	<u>Cost Method</u> <u>Baht'000</u>	<u>Dividend</u> <u>Baht'000</u>	
<b><u>Joint ventures incorporated in Thailand</u></b>				
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	-
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	5,779,630	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	8,895,000	-
<b><u>Joint venture incorporated in Lao People's Democratic Republic</u></b>				
Nam Theun 2 Power Company Limited	Electricity generating (construction phase)	25.00	753,249	-
			15,776,239	-
<u>Less</u> Provision for impairment			(394,406)	-
Total interests in joint ventures, net			<u>15,381,833</u>	<u>-</u>

**Principal movements in interests in joint ventures during the three-month period ended 31 March 2006**

**A joint venture - Gulf**

- (a) In March 2007, Gulf issued additional ordinary shares of 209 million shares at par value of Baht 10 per share. The Group purchased all new shares issued in the same proportion as its original investment, totalling Baht 1,043 million.

**A joint venture - BLCP**

- (b) In March 2007, BLCP called for additional paid-up share capital at Baht 45 each from 100 million shares, totalling Baht 4,500 million. The Group paid for addition paid-up shares in the same proportion as its original investment, totalling Baht 2,250 million.

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

**8 Investments in subsidiaries and interests in joint ventures, net (continued)**

8.2 Interests in joint ventures (continued)

The principal joint ventures are as follows (continued):

		<u>Company</u>		
		<u>31 December 2006</u>		
		<u>Restated</u>		
<u>Business</u>	<u>Portion of Investment (%)</u>	<u>Cost Method Baht'000</u>	<u>Dividend Baht'000</u>	
	(including indirect holding)			
<b><u>Joint ventures incorporated in Thailand</u></b>				
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	-
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	4,736,675	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	6,645,000	-
<b><u>Joint venture incorporated in Lao People's Democratic Republic</u></b>				
Nam Theun 2 Power Company Limited	Electricity generating (construction phase)	25.00	753,249	-
			12,483,284	-
<u>Less</u> Provision for impairment			(394,406)	-
Total interests in joint ventures, net			<u>12,088,878</u>	<u>-</u>

8.3 Net liabilities in a joint venture

The movements in net liabilities arising from interest in a joint venture in the consolidated financial statements for the three-month period ended 31 March 2007 are as follows:

	<u>Consolidated</u>
	<u>Baht'000</u>
Opening net book amount	
- As previously reported	-
- Effect from change in an accounting policy (Note 2.2)	(619,761)
- As restated	(619,761)
Share of loss for the period	(78,513)
Translation adjustment	19,721
Closing net book amount	<u>(678,553)</u>

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

---

**8 Investments in subsidiaries and interests in joint ventures, net** (continued)

8.3 Net liabilities in a joint venture (continued)

The balance of net liabilities in a joint venture incorporated in Lao People's Democratic Republic is as follows:

		<b>Consolidated</b>			
		<b>31 March 2007</b>			
<u>Business</u>	<u>Portion of Investment (%)</u>	<u>Cost Method Baht'000</u>	<u>Equity Method Baht'000</u>	<u>Dividend Baht'000</u>	
NamTheun 2 Power Co., Ltd.	Electricity generating (construction phase)	25.00	753,249	(678,553)	-

  

		<b>Consolidated</b>			
		<b>31 December 2006</b>			
		<b>Restated</b>			
<u>Business</u>	<u>Portion of Investment (%)</u>	<u>Cost Method Baht'000</u>	<u>Equity Method Baht'000</u>	<u>Dividend Baht'000</u>	
NamTheun 2 Power Co., Ltd.	Electricity generating (construction phase)	25.00	753,249	(619,761)	-

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

---

**8 Investments in subsidiaries and interests in joint ventures, net** (continued)

8.4 Accounting for interests in joint ventures

As discussed in Note 2.2, the Group has changed its accounting policy for interests in joint ventures from the proportionate consolidation to the equity method. However, the Group presented information in relation to joint ventures' assets, liabilities, revenue and expenses reflected on the consolidated balance sheets as at 31 March 2007 and 31 December 2006 and on the consolidated statements of income for the three-month periods ended 31 March 2007 and 2006 if the Group accounted for interests in joint ventures by using the proportionate consolidation as follows:

As at	<b>Consolidated</b>	
	<b>31 March 2007 Baht'000</b>	<b>31 December 2006 Baht'000</b>
<b>Consolidated balance sheets</b>		
Current assets	21,221,782	18,504,323
Non-current assets	72,603,182	53,381,908
Total assets	<u>93,824,964</u>	<u>71,886,231</u>
Current liabilities	12,850,916	10,936,715
Non-current liabilities	41,876,210	24,364,992
Total liabilities	<u>54,727,126</u>	<u>35,301,706</u>
Shareholders' equity	39,097,838	36,584,524
Total liabilities and shareholders' equity	<u>93,824,964</u>	<u>71,886,231</u>
<b>For the three months period ended 31 March</b>		
	<b>2007</b>	<b>2006</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>Consolidated statements of income</b>		
Revenues	7,124,397	5,081,674
Expenses	(4,586,330)	(3,012,047)
Net profit	<u>2,538,067</u>	<u>2,069,627</u>

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

---

**9 Capital expenditure and commitments**

	<b>Consolidated</b>	<b>Company</b>
	<b>Property, plant and equipment Baht'000</b>	<b>Property, plant and equipment Baht'000</b>
	<b>Goodwill Baht'000</b>	<b>Baht'000</b>
<b>For the three-month period ended</b>		
<b>31 March 2007</b>		
Opening net book value		
- As previously reported	41,247,180	1,014,832
- Effect from change in an accounting policy (Note 2.2)	<u>(21,107,998)</u>	<u>(789,610)</u>
- As restated	20,139,182	708,357
Additions	65,220	450
Capitalisation of capital spare parts	138,673	-
Transfer capital spare parts out	(63,260)	-
Disposals, net	(1,250)	(48)
Depreciation and amortisation	<u>(522,380)</u>	<u>(11,816)</u>
Closing net book value	<u><u>19,756,185</u></u>	<u><u>696,943</u></u>

As at 31 March 2007, land, buildings and equipment of subsidiaries amounting to Baht 18,523 million were mortgaged and pledged as collateral in accordance with the loan agreements and debentures, as described in Notes 11 and 12 (31 December 2006 : Baht 18,911 million). Rayong Electricity Generating Company Limited is in the process to release land, buildings and equipment of power plant, which are mortgaged and pledged as collateral for long-term loans, amounting to Baht 7,373 million.

As at 31 March 2007, the subsidiaries had no capital commitments in respect of construction of power plants and purchase of equipment but had not yet recognised in the interim consolidated financial statements (As at 31 December 2006 : nil).

**10 Short-term loans from financial institutions**

On 3 January 2007, the Company entered into short-term loan agreements with two local banks for a credit facility of up to Baht 4,000 million with each bank. The interest rate is fixed at the arithmetic mean of the yields of one-year government bonds during the five consecutive banking days period before the first drawdown date plus a certain margin. Interest is payable on a monthly basis and that principal is to be repaid in one lump sum on the final maturity date (one year from the entering date). During the first quarter of 2007, the Company drew down the short-term loans amounting to Baht 4,350 million.



**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

**11 Long-term loans, net**

The long-term loans are of subsidiaries as follows:

As at	<b>Consolidated</b>	
	<b>31 March 2007</b>	<b>31 December 2006</b>
	<b>Baht'000</b>	<b>Restated Baht'000</b>
<b>Current portion of long-term loans, net</b>		
US Dollars	1,406,585	1,437,852
Japanese Yen	29,580	29,591
Thai Baht	76,240	76,240
<u>Less</u> Deferred financing fee	<u>(3,755)</u>	<u>(3,755)</u>
	<u>1,508,650</u>	<u>1,539,928</u>
<b>Long-term loans, net</b>		
US Dollars	1,334,184	1,408,326
Japanese Yen	246,295	266,930
Thai Baht	676,630	714,750
<u>Less</u> Deferred financing fee, net	<u>(24,717)</u>	<u>(25,644)</u>
	<u>2,232,392</u>	<u>2,364,362</u>
Total long-term loans, net	<u>3,741,042</u>	<u>3,904,290</u>

Long-term loans are secured liabilities. The long-term loans are secured over land, buildings, power plants and equipment of subsidiaries. The subsidiaries have to maintain cash reserves which are provided from the proceeds of sales of electricity for the purpose of repayment of principal and payment of interest due within one year and as a reserve for minimising the exchange risk (referred to Note 6). In addition, the Power Purchase Agreements, the Major Maintenance Agreements and insurance policies have been assigned as collateral with the lenders. The subsidiaries are also required to maintain financial ratio in accordance with the conditions under the Master Agreements.

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

	<b>Consolidated</b>
	<b>Baht'000</b>
<b>For the three-month period ended 31 March 2007</b>	
Opening net book amount	
- As previously reported	18,858,210
- Effect from change in an accounting policy (Note 2.2)	<u>(14,953,920)</u>
- As restated	3,904,290
Additions of long-term loans	-
Repayments of long-term loans	(91,755)
Amortisation of deferred financing fee	926
Unrealised exchange gains	<u>(72,419)</u>
Closing net book amount	<u>3,741,042</u>

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

---

**12 Debentures, net**

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

<b>As at</b>	<b>Consolidated</b>	
	<b>31 March 2007</b>	<b>31 December 2006</b>
	<b>Baht'000</b>	<b>Restated Baht'000</b>
Current portion of debentures	652,090	652,090
Debentures, net	<u>2,956,729</u>	<u>2,956,729</u>
Total debentures, net	<u><u>3,608,819</u></u>	<u><u>3,608,819</u></u>

The movements of debentures can be analysed as follows:

	<b>Consolidated</b>
	<b>Baht'000</b>
<b>For the three-month period ended 31 March 2007</b>	
Opening amount	
- As previously reported	6,337,151
- Effect from change in an accounting policy (Note 2.2)	<u>(2,728,332)</u>
- As restated	3,608,819
Issuances of debentures	-
Repayments of debentures	<u>-</u>
Closing amount	<u><u>3,608,819</u></u>

Debentures of subsidiaries are secured liabilities. The subsidiaries are required to maintain reserves for repayment of principal and payment of interest due within one year (as described in Note 6) and to pledge the relevant agreements as collateral (as described in Notes 9 and 11).

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

---

**13 Business acquisition**

On 30 October 2006, the Company signed the Share Purchase Agreement for the purchase of 50% registered and paid up share capital of BLCP Power Ltd. (BLCP) with a total consideration value of Baht 6,645 million. The consideration value covered the additional shares of BLCP of Baht 2,000 million that the Company paid in November 2006. The Company had an effective joint control over BLCP in January 2007; therefore, net book value amounting to Baht 3,034 million of BLCP as at 1 January 2007 was applied as the fair value of net identifiable assets at the date of acquisition. The resulting goodwill of Baht 3,611 million will be amortised on a straight line basis over the period of Power Purchase Agreement between BLCP and Electricity Generating Authority of Thailand which is 25 years.

	<u>Baht'000</u>
Property, plant and equipment	16,398,147
Loans from financial institution, net	(17,206,107)
Other assets less other liabilities	3,842,021
Net book value of net assets	<u>3,034,061</u>
Goodwill	<u>3,610,939</u>
Total purchase consideration	<u><u>6,645,000</u></u>

**14 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 and joint ventures is shown in Note 8.

The following material transactions were carried out with related parties:

**(a) Sales of electricity**

For the three-month periods ended 31 March	Consolidated		Company	
	2007	2006 Restated	2007	2006
	<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>
Sales of electricity				
- Major shareholder	2,292,759	3,141,610	-	-

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

The sales of electricity for the three-month periods ended 31 March 2007 and 2006 included the compensation from exchange rate effects approximately Baht 114 million and Baht 241 million, respectively.

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

**14 Related party transactions (continued)**

**(b) Service income and major maintenance expenses**

For the three-month periods ended 31 March	Consolidated		Company	
	2007	2006 Restated	2007	2006
	Baht'000	Baht'000	Baht'000	Baht'000
Service income				
- Major shareholder	8,318	15,010	-	-
Major maintenance expenses				
- Major shareholder	42,968	67,586	-	-

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

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

As at	Consolidated		Company	
	31 March 2007	31 December 2006 Restated	31 March 2007	31 December 2006
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivable from a related party				
- Major shareholder	1,642,834	1,888,195	-	-

Trade receivable from a related party as at 31 March 2007 and 31 December 2006 can be analysed as follow:

As at	Consolidated		Company	
	31 March 2007	31 December 2006 Restated	31 March 2007	31 December 2006
	Baht'000	Baht'000	Baht'000	Baht'000
Not over due	1,624,158	1,864,241	-	-
Overdue below 3 months	11,307	11,373	-	-
Overdue 3 - 6 months	-	6,436	-	-
Overdue 6 - 12 months	2,643	1,419	-	-
Overdue over 12 months	4,726	4,726	-	-
	<u>1,642,834</u>	<u>1,888,195</u>	<u>-</u>	<u>-</u>
Trade payable to a related party				
- Major shareholder	70,162	100,265	-	-

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

**14 Related party transactions (continued)**

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

As at	Consolidated		Company	
	31 March 2007	31 December 2006 Restated	31 March 2007	31 December 2006
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Amounts due from related parties</u>				
- Major shareholder	29,485	3,415	-	-
- Subsidiaries	134	455	63,208	9,544
- Joint ventures	196,776	211,686	193,828	198,675
- Other related parties	4,906	-	-	-
	<u>231,301</u>	<u>215,556</u>	<u>257,036</u>	<u>208,219</u>
<u>Amounts due to related parties</u>				
- Subsidiaries	-	-	12	3
- Joint ventures	-	-	-	-
- Other related parties	6,386	4,647,523	-	4,645,000
	<u>6,386</u>	<u>4,647,523</u>	<u>12</u>	<u>4,645,003</u>

**(e) Loans to related parties**

As at	Consolidated		Company	
	31 March 2007	31 December 2006 Restated	31 March 2007	31 December 2006
	Baht'000	Baht'000	Baht'000	Baht'000
Current portion of long-term loans to related parties				
- Subsidiaries	-	-	812,760	812,760
- Joint venture	100,000	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>912,760</u>	<u>912,760</u>
Long-term loans to related parties, net				
- Subsidiaries	-	-	2,567,240	2,567,240
- Joint venture	-	-	-	-
	<u>-</u>	<u>-</u>	<u>2,567,240</u>	<u>2,567,240</u>
	<u>100,000</u>	<u>100,000</u>	<u>3,480,000</u>	<u>3,480,000</u>

**Electricity Generating Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the three-month periods ended 31 March 2007 and 2006**

**14 Related party transactions (continued)**

**(e) Loans to related parties (continued)**

The movements of the loans to related parties can be analysed as follows:

For the three-month periods ended 31 March	Consolidated		Company	
	2007	2006	2007	2006
	Baht'000		Baht'000	
<b>Subsidiaries</b>				
Beginning balance	-	-	3,380,000	-
Loans advanced during the period	-	-	-	-
Loan repayments received during the period	-	-	-	-
Ending balance	<u>-</u>		<u>3,380,000</u>	
<b>Joint venture</b>				
Beginning balance				
- As previously reported	50,000	-	100,000	-
- Effect from change in an accounting policy (Note 2.2)	50,000	-	-	-
- As restated	100,000	-	100,000	-
Loans advanced during the period	-	-	-	-
Loan repayments received during the period	-	-	-	-
Ending balance	<u>100,000</u>		<u>100,000</u>	

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

As at	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
	Baht'000		Baht'000	
Investment in debentures				
- Subsidiary	-	-	36,098	36,098
Interest receivable				
- Subsidiary	-	-	2,006	334
<b>For the three-month periods ended</b>				
<b>31 March</b>				
Interest income				
- Subsidiary	-	-	1,672	1,942

Investment in debentures of a subsidiary was included in short-term and long-term investments in the company balance sheets as at 31 March 2007 and 31 December 2006.

## **15 Commitments and contingent liabilities**

For the three-month period ended 31 March 2007, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 December 2006, except the followings:

### **Commitments and contingent liabilities of the Company**

- (a) As at 31 March 2007, the Company had commitments under Sponsor Support Agreements, which were made in respect of loans of subsidiaries and other related parties, totalling Baht 436 million.
- (b) As at 31 March 2007, the Company had commitments under Counter Guarantee and Standby Letters of Credit issued on behalf of the Company to a subsidiary and joint ventures, totalling Baht 8,716 million.
- (c) In April 2007, a joint venture Gulf (“Gulf”) called for the addition paid-up share capital at Baht 10 per share for 88.41 million shares. The Group has committed to pay for the additional paid-up shares in the same proportion as its original investment of Baht 442 million in June 2007.
- (d) - During the first quarter of 2007, the Company entered into the Equity Contribution Agreement with lenders of the joint venture BLCP. Under terms and conditions of the agreement, the Company has committed to pay for additional paid-up share capital of BLCP totalling US Dollar 93.4 million. The Company paid for the additional paid-up share capital of Baht 2,250 million in March 2007 (as discussed in Note 8.2 (b)).
  - As at 31 March 2007, the common shares of BLCP were pledged as collateral as discussed in Note 8.2.

### **Commitments and contingent liabilities of a joint venture**

#### Joint venture - BLCP

##### *Significant agreements*

- (a) Power Purchase Agreement with Electricity Generating Authority of Thailand (“EGAT”) for a period of 25 years, commencing the Commercial Operation Date of the second unit. Under this agreement, BLCP has committed to deposit with EGAT the Development Security for the proper and faithful performance. As at 31 March 2007, the bank provided guarantees on behalf of BLCP totaling Baht 337 million.
- (b) Agreement for use of industrial estate area for a period of 30 years, commencing 2 October 2000. Under this agreement, BLCP has committed to pay the monthly instalments totalling Baht 439 million from October 2006 to October 2030. BLCP has placed a bank guarantee amounting to Baht 66 million to the Industrial Estate Authority of Thailand as a guarantee for the annual fee.
- (c) Coal Supply and Transportation Agreement for a period of 25 years, commencing the Commercial Operation Date of the second unit. Under this agreement, BLCP has committed to pay for the coal supply and transportation in an amount set forth in accordance with the agreement.

## **16 Postponement of Commercial Operation of a joint venture**

During the first quarter of 2007, a subsidiary of a joint venture Gulf (“Gulf”) was not able to commence the commercial operation as the date specified in the Power Purchase Agreement (“PPA”) entered into with Electricity Generating Authority of Thailand (“EGAT”). This is because the contractor could not make the power plant ready to use under the conditions and specification stipulated in the EPC Contract. As a result of such event, as at 31 March 2007, Gulf has to pay a fine of approximately Baht 88 million for the delay of the commercial operation. According to the conditions in the EPC Contract, however, as at 31 March 2007, Gulf can be reimbursed as liquidated damages for the delay of the construction by the contractor approximately Baht 357 million. Compensating income from the contractor and expenses to be paid to EGAT were offset and presented as “other income” in the consolidated statement of income of Gulf for the three-month period ended 31 March 2007.

The Company recognised the net result of these transactions, amounting to Baht 135 million which was presented as share of profit from interests in joint ventures in the consolidated statement of income for the three-month period ended 31 March 2007.

**17 Post balance sheet events**

**Post balance sheet event of the Company**

At the Annual General Shareholders' meeting dated 23 April 2007, it was unanimously resolved to pay dividends in respect of the operating results for the second half year ended 2006 for 526,465,000 shares at Baht 2 per share, totaling Baht 1,053 million. These dividends will be paid to shareholders in May 2007.