

ELECTRICITY GENERATING PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS
(UNAUDITED)

30 June 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 30 June 2007 and the related consolidated and company statements of income for the three-month and six-month periods ended 30 June 2007 and 2006 and the related consolidated and company statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 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 and six-month periods ended 30 June 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
7 August 2007

Electricity Generating Public Company Limited

Balance Sheets

As at 30 June 2007 and 31 December 2006

	Notes	Consolidated		Company	
		Unaudited 30 June 2007 Baht'000	Audited 31 December 2006 Restated Baht'000	Unaudited 30 June 2007 Baht'000	Audited 31 December 2006 Restated Baht'000
ASSETS					
Current Assets					
Cash and cash equivalents		3,358,810	5,601,550	1,980,354	4,129,760
Short-term investments					
- Deposits at financial institutions		184,265	129,215	856	856
- Marketable securities		1,400,318	93,948	1,375,191	68,417
Short-term investments used as collateral	6				
- Deposits at financial institutions		1,211,529	2,273,028	-	-
- Marketable securities		13,000	26,000	-	-
Trade receivables	7	124,440	157,625	-	-
Trade receivable from a related party	15	1,585,595	1,888,195	-	-
Dividend receivables from subsidiaries and a joint venture		2,000,583	-	4,695,053	1,509,295
Current portion of long-term loans to related parties	15	-	100,000	839,800	912,760
Amounts due from related parties	15	250,108	215,556	214,965	208,219
Spare parts and supplies, net		3,310,515	3,547,390	-	-
Other current assets		320,380	385,092	9,150	14,729
Total Current Assets		13,759,543	14,417,599	9,115,369	6,844,036
Non-Current Assets					
Long-term investments in marketable securities and others	15	1,357,448	2,952,042	1,407,011	3,005,873
Deposits at financial institutions used as collateral	6	1,166	1,040	-	-
Long-term loans to related parties, net	15	-	-	2,133,820	2,567,240
Investments in subsidiaries	8	-	-	12,021,167	12,021,167
Interests in joint ventures, net	8	17,468,232	12,378,009	15,823,883	12,088,878
Property, plant and equipment, net	9	19,408,888	20,139,182	692,100	708,357
Goodwill, net	9	217,959	225,222	-	-
Other non-current assets, net		374,986	347,423	261,483	232,503
Total Non-Current Assets		38,828,679	36,042,918	32,339,464	30,624,018
Total Assets		52,588,222	50,460,517	41,454,833	37,468,054

For Director

The notes to the interim consolidated and company financial statements on pages 11 to 33 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited
Balance Sheets
As at 30 June 2007 and 31 December 2006

	Notes	Consolidated		Company	
		Unaudited 30 June 2007 Baht'000	Audited 31 December 2006 Restated Baht'000	Unaudited 30 June 2007 Baht'000	Audited 31 December 2006 Restated Baht'000
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Short-term loans from financial institutions	10	4,350,000	-	4,350,000	-
Trade payables		402,365	599,608	-	-
Trade payable to a related party	15	62,965	100,265	-	-
Amounts due to related parties	15	4,635	4,647,523	80,279	4,645,003
Current portion of long-term loans from financial institutions, net	11	1,493,623	1,539,928	-	-
Debentures due within one year	12	689,794	652,090	-	-
Other current liabilities					
- Interest payable	15	41,369	49,705	-	-
- Value added tax payable		129,162	157,520	-	-
- Corporate income tax payable		139,355	466,846	-	-
- Others		328,605	380,263	73,144	164,722
Total Current Liabilities		7,641,873	8,593,748	4,503,423	4,809,725
Non-Current Liabilities					
Long-term loans from financial institutions, net	11	1,544,802	2,364,362	-	-
Debentures, net	12	2,602,081	2,956,729	-	-
Net liabilities in a joint venture	8	769,915	619,761	-	-
Other non-current liabilities		9,484	6,794	1,626	538
Total Non-Current Liabilities		4,926,282	5,947,646	1,626	538
Total Liabilities		12,568,155	14,541,394	4,505,049	4,810,263
Shareholders' Equity					
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		24,183,178	20,199,878	21,626,435	17,404,076
Unrealised gains on investments in marketable securities - available-for-sale		850,710	780,338	880,026	810,392
Translation adjustments		30,133	(13,808)	-	-
Total parent's shareholders' equity		39,507,344	35,409,731	36,949,784	32,657,791
Minority interest		512,723	509,392	-	-
Total Shareholders' Equity		40,020,067	35,919,123	36,949,784	32,657,791
Total Liabilities and Shareholders' Equity		52,588,222	50,460,517	41,454,833	37,468,054

The notes to the interim consolidated and company financial statements on pages 11 to 33 are an integral part of these interim financial statements.

Statements of Income

For the three-month periods ended 30 June 2007 and 2006

	Notes	Consolidated		Company	
		2007	2006	2007	2006
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Sales and service income	15	2,557,264	3,493,072	-	-
Cost of sales and services	15	(1,376,263)	(1,408,318)	-	-
Gross profit		1,181,001	2,084,754	-	-
Administrative expenses		(218,446)	(189,372)	(148,417)	(93,717)
Profit (loss) from sales and services		962,555	1,895,382	(148,417)	(93,717)
Other income					
- Interest income	15	53,938	172,517	68,058	57,799
- Dividend income		26,068	66,790	26,068	66,790
- Dividend income from subsidiaries and joint ventures		-	-	2,884,716	158,758
- Others		62,216	48,536	82,019	38,174
Directors' remuneration		(1,716)	(1,399)	(1,647)	(1,327)
Currency exchange gains		38,488	103,102	-	-
Operating results		1,141,549	2,284,928	2,910,797	226,477
Share of loss exceed interest in a joint venture		(100,936)	(4,707)	-	-
Share of profit (loss) from interests in joint ventures		1,814,997	(45,982)	-	-
Profit before interest and tax		2,855,610	2,234,239	2,910,797	226,477
Interest expenses		(220,979)	(331,301)	(54,313)	-
Corporate income tax		(110,792)	(283,193)	-	-
Profit before minorities		2,523,839	1,619,745	2,856,484	226,477
Profit attributable to minorities		37,304	37,065	-	-
Net profit for the period		2,486,535	1,582,680	2,856,484	226,477
Basic earnings per share (Baht)	5				
Net profit for the period		4.72	3.01	5.43	0.43

The notes to the interim consolidated and company financial statements on pages 11 to 33 are an integral part of these interim financial statements.

Statements of Income

For the six-month periods ended 30 June 2007 and 2006

	Notes	Consolidated		Company	
		2007	2006	2007	2006
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Sales and service income	15	5,310,547	7,162,592	-	-
Cost of sales and services	15	(2,738,045)	(2,778,678)	-	-
Gross profit		2,572,502	4,383,914	-	-
Administrative expenses		(441,528)	(344,540)	(284,898)	(150,226)
Profit (loss) from sales and services		2,130,974	4,039,374	(284,898)	(150,226)
Other income					
- Interest income	15	123,485	304,294	143,321	104,011
- Dividend income		108,530	167,417	108,530	167,417
- Dividend income from subsidiaries and joint ventures		-	-	5,257,171	2,023,909
- Others		79,396	86,451	117,382	93,098
Directors' remuneration		(3,353)	(3,122)	(3,212)	(2,857)
Currency exchange gains		102,913	491,386	-	-
Operating results		2,541,945	5,085,800	5,338,294	2,235,352
Share of loss exceed interest in a joint venture	8	(179,449)	(27,625)	-	-
Share of profit (loss) from interests in joint ventures	8	3,425,569	(81,892)	-	-
Profit before interest and tax		5,788,065	4,976,283	5,338,294	2,235,352
Interest expenses		(411,687)	(667,910)	(74,633)	-
Corporate income tax		(273,336)	(568,754)	-	-
Profit before minorities		5,103,042	3,739,619	5,263,661	2,235,352
Profit attributable to minorities		78,440	87,312	-	-
Net profit for the period		5,024,602	3,652,307	5,263,661	2,235,352
Basic earnings per share (Baht)	5				
Net profit for the period		9.54	6.94	10.00	4.25

The notes to the interim consolidated and company financial statements on pages 11 to 33 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the six-month periods ended 30 June 2007 and 2006

Unaudited

Consolidated									
	Issued and paid-up share capital	Premium on share capital	Premium on treasury stock	Legal reserve	Retained earnings	Fair value reserve	Translation adjustments	Minority interest	Total
Note	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance as at 1 January 2007									
- 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	-	-	-	-	-	-	43,941	-	43,941
Net profit for the period	-	-	-	-	5,024,602	-	-	-	5,024,602
Dividends	-	-	-	-	(1,041,302)	-	-	(75,109)	(1,116,411)
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	-	70,372	-	-	70,372
Minority interest	-	-	-	-	-	-	-	78,440	78,440
Closing balance as at 30 June 2007	5,264,650	8,601,300	47,373	530,000	24,183,178	850,710	30,133	512,723	40,020,067
Opening balance as at 1 January 2006									
- 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	-	-	-	-	-	-	(48,837)	(6,294)	(55,131)
Net profit for the period	-	-	-	-	3,652,307	-	-	-	3,652,307
Dividends	-	-	-	-	(897,577)	-	-	(54,000)	(951,577)
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	-	67,398	-	13	67,411
Minority interest	-	-	-	-	-	-	-	187,432	187,432
Closing balance as at 30 June 2006	5,264,650	8,601,300	47,373	530,000	18,862,470	654,782	(145,941)	589,105	34,403,739

The notes to the interim consolidated and company financial statements on pages 11 to 33 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the six-month periods ended 30 June 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
Opening balance as at 1 January 2007								
- 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	-	-	-	(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	-	-	-	-	5,263,661	-	-	5,263,661
Dividends	-	-	-	-	(1,041,302)	-	-	(1,041,302)
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	-	69,634	-	69,634
Closing balance as at 30 June 2007	5,264,650	8,601,300	47,373	530,000	21,626,435	880,026	-	36,949,784
Opening balance as at 1 January 2006								
- 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	2	-	-	-	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
Translation adjustments	-	-	-	-	-	-	(48,837)	(48,837)
Net profit for the period	-	-	-	-	3,652,307	-	-	3,652,307
Dividends	-	-	-	-	(897,577)	-	-	(897,577)
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	-	64,066	-	64,066
Closing balance as at 30 June 2006	5,264,650	8,601,300	47,373	530,000	19,412,014	689,196	(48,837)	34,495,696

The notes to the interim consolidated and company financial statements on pages 11 to 33 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited
Statements of Cash Flows
For the six-month periods ended 30 June 2007 and 2006

Unaudited

	Consolidated		Company	
	2007	2006	2007	2006
		Restated		Restated
Note	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities				
Net profit for the period	5,024,602	3,652,307	5,263,661	2,235,352
Adjustments to reconcile net profit to net cash provided by operations:				
- Depreciation and amortisation	1,062,945	1,046,789	23,601	23,006
- Allowance for obsolescence	2,868	321	-	-
- Unrealised currency exchange gains	(87,289)	(468,968)	-	-
- Gains on disposals of equipments	(228)	(1,955)	(228)	(472)
- Gains on disposals of long-term investments	(44,947)	-	(44,947)	-
- Dividends received from other companies	(108,530)	(167,417)	(108,530)	(167,417)
- Dividends received from subsidiaries and joint ventures	-	-	(5,257,171)	(2,023,909)
- Share of loss exceed interest in a joint venture	8 179,449	27,625	-	-
- Shares of (profit) loss from interests in joint ventures	8 (3,425,569)	81,892	-	-
- Minority interest	78,440	87,312	-	-
- Others	-	5	-	-
Cash flows before changes in operating assets and liabilities	2,681,741	4,257,911	(123,614)	66,560
Changes in operating assets and liabilities: (excluding the effects of acquisition and disposal)				
- Deposits at financial institution used as collateral	1,071,918	(96,189)	-	-
- Trade receivables and trade receivable from a related party	335,595	(520,998)	-	-
- Amounts due from related parties	(45,886)	(54,447)	(6,746)	(67,089)
- Spare parts and supplies	22,625	(86,208)	-	-
- Other current assets	57,902	(233,324)	5,579	(2,545)
- Other non-current assets	(110,855)	(5,946)	(28,998)	(4,587)
- Trade payables and trade payable to a related party	(234,514)	127,409	-	-
- Amounts due to related parties	5,968	(2,255)	15	(2,047)
- Other current and non-current liabilities	(373,683)	289,507	(10,204)	(73,568)
Net cash receipts (payments) from operating activities	3,410,811	3,675,460	(163,968)	(83,276)

The notes to the interim consolidated and company financial statements on pages 11 to 33 are an integral part of these interim financial statements.

Statements of Cash Flows

For the six-month periods ended 30 June 2007 and 2006

	Notes	Consolidated		Company	
		2007	2006	2007	2006
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Cash flows from investing activities					
Cash paid for increase in share capital of joint ventures		(8,380,005)	(90,155)	(8,380,005)	(90,155)
Net cash payments from deposits at financial institutions		(10,000)	(1,903,100)	-	-
Net cash receipts (payments) from short-term investments		(16,399)	(231,237)	32,617	(2,092,267)
Net cash receipts from long-term investments		374,892	14,865	374,050	14,865
Net purchases of property, plant and equipment		(104,016)	(59,461)	(7,096)	(5,759)
Proceed from loans to related parties		100,000	23,830	506,380	23,830
Dividends received from subsidiaries and a joint venture		84,415	-	2,071,413	1,997,826
Dividends received from other companies		108,530	167,417	108,530	167,417
Net cash receipts (payments) from investing activities		<u>(7,842,583)</u>	<u>(2,077,841)</u>	<u>(5,294,111)</u>	<u>15,757</u>
Cash flows from financing activities					
Payments on finance lease liabilities		(547)	(270)	-	-
Proceeds from short-term loans from financial institutions		4,350,000	-	4,350,000	-
Payments on long-term loans from financial institutions and debentures	11, 12	(1,088,785)	(1,586,762)	-	-
Dividends paid to shareholders of parent company and shareholders of minorities of subsidiaries		(1,071,636)	(907,815)	(1,041,327)	(897,491)
Net cash receipts (payments) from financing activities		<u>2,189,032</u>	<u>(2,494,847)</u>	<u>3,308,673</u>	<u>(897,491)</u>
Net decrease in cash and cash equivalents		<u>(2,242,740)</u>	<u>(897,228)</u>	<u>(2,149,406)</u>	<u>(965,010)</u>
Beginning balance		<u>5,601,550</u>	<u>7,842,144</u>	<u>4,129,760</u>	<u>2,627,988</u>
Ending balance		<u>3,358,810</u>	<u>6,944,916</u>	<u>1,980,354</u>	<u>1,662,978</u>
Cash and cash equivalents are made up as follows:					
- Cash in hand and deposits at financial institutions		1,093,110	167,114	153,561	68,197
- Short-term investments - maturity within three months		2,265,700	6,777,802	1,826,793	1,594,781
		<u>3,358,810</u>	<u>6,944,916</u>	<u>1,980,354</u>	<u>1,662,978</u>
Supplementary information for cash flows:					
- Interest paid		517,631	686,571	74,633	-
- Tax paid		471,337	135,687	-	-
Non-cash transactions					
- Reclassification of utilised capital spare parts to property, plant and equipment		337,915	523,614	-	-
- Reclassification of unutilised capital spare parts from property, plant and equipment		126,533	319,276	-	-
- Reclassification of advance payment to property, plant and equipment		-	6,200	-	-

The notes to the interim consolidated and company financial statements on pages 11 to 33 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 7 August 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.

Electricity Generating Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the six-month periods ended 30 June 2007 and 2006

2 Changes in accounting policies

2.1 Accounting standard which effective from 1 January 2007

According to the notification of Federation of Accounting Professions dated on 2 May 2007 relating to amendment of TAS 44 “Consolidated financial statements and separate financial statements” and TAS 45 “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 adopted the cost method since 1 January 2007 and has applied the retrospective adjustments. The effects of the change on the company balance sheet as at 31 December 2006 and the company statement of income for the three-month and six-month periods ended 30 June 2006 are as follows:

	<u>Baht'000</u>	
Balance sheet as at 31 December 2006		
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)
Statement of income for the three-month and six-month periods ended 30 June 2006		
	<u>Three-month period Baht'000</u>	<u>Six-month period Baht'000</u>
Decrease in net profit	(1,356,203)	(1,416,955)
Decrease in basic earnings per share (Baht)	(2.58)	(2.69)

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.

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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 change on the consolidated balance sheet as at 31 December 2006 and the consolidated statement of income for the three-month and six-month periods ended 30 June 2006 are as follows:

	Baht'000
	<u>Increase (decrease)</u>
Consolidated balance sheet as at 31 December 2006	
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	(665,402)

Consolidated statement of income for the three-month and six-month periods ended 30 June 2006

	Three-month period	Six-month period
	<u>Baht'000</u>	<u>Baht'000</u>
Decrease in sales and service income	(1,006,988)	(2,055,008)
Decrease in cost of sales and services	(732,485)	(1,519,888)
Increase (decrease) in other income	14,718	(39,561)
Decrease in administrative expenses	(118,306)	(275,442)
Increase in share of loss from interests in joint ventures	72,258	147,704
Increase in share of loss exceed interest in a joint venture	4,707	27,625

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 5.08% (2006: 13.20%).

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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
For the three-month period ended 30 June 2007					
Sales and service income	2,588,038	-	-	(30,774)	2,557,264
Share of loss exceed interest in a joint venture	-	(100,936)	-	-	(100,936)
Share of profit	1,791,506	-	23,491	-	1,814,997
Segment result	2,525,725	-	-	(39,190)	2,486,535
For the three-month period ended 30 June 2006 (restated)					
Sales and service income	3,516,572	-	-	(23,500)	3,493,072
Share of loss exceed interest in a joint venture	-	(4,707)	-	-	(4,707)
Share of profit (loss)	(77,604)	-	31,622	-	(45,982)
Segment result	1,622,199	-	-	(39,519)	1,582,680
For the six-month period ended 30 June 2007					
Sales and service income	5,370,567	-	-	(60,020)	5,310,547
Share of loss exceed interest in a joint venture	-	(179,449)	-	-	(179,449)
Share of profit	3,391,905	-	33,664	-	3,425,569
Segment result	5,106,818	-	-	(82,216)	5,024,602
For the six-month period ended 30 June 2006 (restated)					
Sales and service income	7,218,129	-	-	(55,537)	7,162,592
Share of loss exceed interest in a joint venture	-	(27,625)	-	-	(27,625)
Share of profit (loss)	(156,964)	-	75,072	-	(81,892)
Segment result	3,742,856	-	-	(90,549)	3,652,307

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 EGCO Cogeneration Company Limited (EGCO Cogen) (its name changed from TLP Cogeneration Co., Ltd. as discussed in Note 8.1) 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 30 June 2007, these cash reserves amounted to Baht 302 million (31 December 2006: Baht 295 million). The remaining balance of short-term and long-term investments used as collateral of Baht 924 million (31 December 2006: Baht 2,005 million)

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represented collateralised deposits maintained in accordance with the loan agreements but which can be used subject to certain lender approvals.

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7 Trade receivables

Trade receivables as at 30 June 2007 and 31 December 2006 can be analysed as follows:

As at	Consolidated		Company	
	30 June 2007	31 December 2006 Restated	30 June 2007	31 December 2006
	Baht'000	Baht'000	Baht'000	Baht'000
Not over due	110,309	121,085	-	-
Overdue below 3 months	7,469	28,227	-	-
Overdue 3 - 6 months	4,628	5,625	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue over 12 months	2,034	2,688	-	-
Total trade receivables	<u>124,440</u>	<u>157,625</u>	<u>-</u>	<u>-</u>

8 Investments in subsidiaries and interests in joint ventures, net

As at	Consolidated		Company	
	30 June 2007	31 December 2006 Restated	30 June 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	17,862,638	12,772,415	16,218,289	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>17,468,232</u>	<u>12,378,009</u>	<u>15,823,883</u>	<u>12,088,878</u>
Investments in subsidiaries and interests in joint ventures, net	<u>17,468,232</u>	<u>12,378,009</u>	<u>27,845,050</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
For the six-month period ended 30 June 2007		
Opening net book value		
- As previously reported	7,083,115	28,423,244
- Effect from changes in accounting policies (Note 2.2)	5,294,894	(4,313,199)
- As restated	12,378,009	24,110,045
Share of profit from subsidiaries and interests in joint ventures	3,425,569	-
Increase in share capital of joint ventures	3,735,005	3,735,005
Dividend received from joint ventures	(2,084,997)	-
Translation adjustments	14,646	-
Closing net book value	<u>17,468,232</u>	<u>27,845,050</u>

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

8.1 Investment in subsidiaries

The principal subsidiaries are as follows:

		Company		
		30 June 2007		
Business	Portion of Investment (%)	Cost Method Baht'000	Dividend Baht'000	
	(including indirect holding)			
<u>Subsidiaries incorporated in Thailand</u>				
Rayong Electricity Generating Co., Ltd.	Electricity generating	99.99	4,702,200	1,552,478
Khanom Electricity Generating Co., Ltd.	Electricity generating	99.99	4,850,000	1,439,102
EGCO Engineering and Service Co., Ltd. and its subsidiaries and joint venture	Power plant operation and maintenance services	99.99	400,000	222,417
- 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	-
- EGCO Cogeneration Co., Ltd. (formerly named "TLP Cogeneration Co., Ltd)	Electricity generating	80.00	424,000	42,592
<u>Subsidiary incorporated in British Virgin Islands</u>				
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>3,256,589</u>

As at 30 June 2007, dividend receivable amounting to Baht 4,695 million was recognised in the interim company financial statements.

TLP Cogeneration Co., Ltd. registered the change in its name to EGCO Cogeneration Co., Ltd. with the Ministry of Commerce on 21 May 2007.

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

8.1 Investment in subsidiaries (continued)

The principal subsidiaries are as follows: (continued)

		Company		
		31 December 2006		
		Restated		
Business	Portion of Investment (%)	Cost Method Baht'000	Dividend Baht'000	
	(including indirect holding)			
<u>Subsidiaries incorporated in Thailand</u>				
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
<u>Subsidiary incorporated in British Virgin Islands</u>				
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>

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

8.2 Interests in joint ventures, net

The principal joint ventures are as follows:

		Consolidated			
		30 June 2007			
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000	
	(including indirect holding)				
<u>Joint ventures incorporated in Thailand</u>					
Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00	1,000	12,468	-
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	773,641	-
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	6,221,680	6,942,950	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	8,895,000	9,422,705	2,000,582
<u>Joint venture incorporated in Philippines</u>					
Conal Holdings Corporation (Conal) and its subsidiaries	Investing in power energy business	40.00	1,002,467	710,874	84,415
			16,468,507	17,862,638	2,084,997
<u>Less</u> Provision for impairment			(394,406)	(394,406)	-
Total interests in joint ventures, net			<u>16,074,101</u>	<u>17,468,232</u>	<u>2,084,997</u>

As at 30 June 2007, according to the conditions under the loan agreement of a joint venture BLCP Power Ltd. (BLCP), the common shares of BLCP were pledged as collateral for its long-term loans.

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

8.2 Interests in joint ventures, net (continued)

The principal joint ventures are as follows: (continued)

		Consolidated			
		31 December 2006			
		Restated			
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000	
	(including indirect holding)				
<u>Joint ventures incorporated in Thailand</u>					
Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00	1,000	9,470	-
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	721,419	-
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	4,736,675	4,649,547	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	6,645,000	6,645,000	-
<u>Joint venture incorporated in Philippines</u>					
Conal Holdings Corporation (Conal) and its subsidiaries	Investing in power energy business	40.00	1,002,467	746,979	82,890
			12,733,502	12,772,415	82,890
			(394,406)	(394,406)	-
<u>Less</u> Provision for impairment			12,339,096	12,378,009	82,890
Total interests in joint ventures, net			<u>12,339,096</u>	<u>12,378,009</u>	<u>82,890</u>

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

8.2 Interests in joint ventures, net (continued)

The principal joint ventures are as follows: (continued)

		Company		
		30 June 2007		
Business	Portion of Investment (%)	Cost Method	Dividend	
	(including indirect holding)	Baht'000	Baht'000	
<u>Joint ventures incorporated in Thailand</u>				
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	6,221,680	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	8,895,000	2,000,582
<u>Joint venture incorporated in Lao People's Democratic Republic</u>				
Nam Theun 2 Power Company Limited	Electricity generating (construction phase)	25.00	753,249	-
			16,218,289	2,000,582
<u>Less</u> Provision for impairment			(394,406)	-
Total interests in joint ventures, net			<u>15,823,883</u>	<u>2,000,582</u>

Principal movements in interests in joint ventures during the six-month period ended 30 June 2007

A joint venture - Gulf Electric Public Co., Ltd. ("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.
- (b) In June 2007, Gulf issued additional ordinary shares of 88 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 442 million

A joint venture - BLCP Power Ltd. ("BLCP")

- (c) 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.

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

8.2 Interests in joint ventures, net (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)			
<u>Joint ventures incorporated in Thailand</u>				
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	-
<u>Joint venture incorporated in Lao People's Democratic Republic</u>				
Nam Theun 2 Power Company Limited	Electricity generating (construction phase)	25.00	753,249	-
			12,483,284	-
			(394,406)	-
<u>Less</u> Provision for impairment			12,088,878	-
Total interests in joint ventures, net				-

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 six-month period ended 30 June 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	(179,449)
Translation adjustment	29,295
Closing net book amount	(769,915)

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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:

		Consolidated			
		30 June 2007			
<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	(769,915)	-

		Consolidated			
		31 December 2006			
		Restated			
<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)	-

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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 30 June 2007 and 31 December 2006 and on the consolidated statements of income for the three-month and six-month periods ended 30 June 2007 and 2006 if the Group accounted for interests in joint ventures by using the proportionate consolidation as follows:

As at	Consolidated	
	30 June 2007 Baht'000	31 December 2006 Baht'000
Consolidated balance sheets		
Current assets	24,110,303	18,504,323
Non-current assets	71,709,751	53,381,908
Total assets	<u>95,820,054</u>	<u>71,886,231</u>
Current liabilities	14,131,349	10,936,715
Non-current liabilities	41,047,245	24,364,992
Total liabilities	<u>55,178,594</u>	<u>35,301,707</u>
Shareholders' equity	40,641,460	36,584,524
Total liabilities and shareholders' equity	<u>95,820,054</u>	<u>71,886,231</u>
Consolidated statements of income		
For the three-month period ended 30 June		
	2007	2006
	Baht'000	Baht'000
Revenues	8,114,626	5,225,912
Expenses	(5,628,091)	(3,643,232)
Net profit	<u>2,486,535</u>	<u>1,582,680</u>
For the six-month period ended 30 June		
	2007	2006
	Baht'000	Baht'000
Revenues	15,239,023	10,307,586
Expenses	(10,214,421)	(6,655,279)
Net profit	<u>5,024,602</u>	<u>3,652,307</u>

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9 Capital expenditure and commitments

	Consolidated	Company
	Property, plant and equipment Baht'000	Property, plant and equipment Baht'000
	Goodwill Baht'000	Baht'000
For the six-month period ended		
30 June 2007		
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	225,222
Additions	111,203	-
Capitalisation of capital spare parts	337,915	-
Transfer capital spare parts out	(126,533)	-
Disposals, net	(2,384)	-
Depreciation and amortisation	<u>(1,050,495)</u>	<u>(7,263)</u>
Closing net book value	<u><u>19,408,888</u></u>	<u><u>217,959</u></u>
		<u><u>692,100</u></u>

As at 30 June 2007, land, buildings and equipment of subsidiaries amounting to Baht 10,892 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). As at 30 June 2007, Rayong Electricity Generating Company Limited secured a release of land, buildings and equipment at its power plant, which were mortgaged and pledged as collateral for long-term loans from financial institutions and debentures.

As at 30 June 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 six-month period ended 30 June 2007, the Company drew down the short-term loans amounting to Baht 4,350 million.

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11 Long-term loans, net

The long-term loans are of subsidiaries as follows:

As at	Consolidated	
	30 June 2007	31 December 2006
	Baht'000	Restated Baht'000
Current portion of long-term loans, net		
US Dollars	1,393,240	1,437,852
Japanese Yen	27,898	29,591
Thai Baht	76,240	76,240
<u>Less</u> Deferred financing fee	<u>(3,755)</u>	<u>(3,755)</u>
	<u>1,493,623</u>	<u>1,539,928</u>
Long-term loans, net		
US Dollars	659,660	1,408,326
Japanese Yen	232,293	266,930
Thai Baht	676,630	714,750
<u>Less</u> Deferred financing fee, net	<u>(23,781)</u>	<u>(25,644)</u>
	<u>1,544,802</u>	<u>2,364,362</u>
Total long-term loans, net	<u><u>3,038,425</u></u>	<u><u>3,904,290</u></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:

	Consolidated
	Baht'000
For the six-month period ended 30 June 2007	
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
Repayments of long-term loans	(771,841)
Amortisation of deferred financing fee	1,862
Unrealised exchange gains	<u>(95,886)</u>
Closing net book amount	<u><u>3,038,425</u></u>

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12 Debentures, net

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

As at	Consolidated	
	30 June 2007	31 December 2006
	Baht'000	Restated Baht'000
Current portion of debentures	689,794	652,090
Debentures, net	<u>2,602,081</u>	<u>2,956,729</u>
Total debentures, net	<u><u>3,291,875</u></u>	<u><u>3,608,819</u></u>

The movements of debentures can be analysed as follows:

	Consolidated
	Baht'000
For the six-month period ended 30 June 2007	
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
Repayments of debentures	<u>(316,944)</u>
Closing amount	<u><u>3,291,875</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).

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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 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.

Details of net acquired assets and goodwill are as follows:

	<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 Dividends

At the Annual General Shareholders' meeting on 23 April 2007, it was unanimously resolved to pay dividends in respect of the operating results for the year ended 2006 as follows:

- (a) Interim dividends for 526,465,000 shares of Baht 2 per share, totalling Baht 1,053 million. These dividends were paid to shareholders in September 2006.
- (b) Dividends for 526,465,000 shares of Baht 2 per share, totalling Baht 1,053 million. These dividends were paid to shareholders in May 2007 (2006: Dividends for 526,465,000 shares of Baht 1.75 per share, totalling Baht 921 million).

15 Related party transactions

The major shareholders of the Company are the Electricity Generating Authority of Thailand (EGAT) and One Energy Thailand Limited (formerly named "CLP Power Projects (Thailand) Limited"), holding 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 and six-month periods ended 30 June 2007

	<u>Consolidated</u>		<u>Company</u>	
	<u>Three-month period Baht'000</u>	<u>Six-month period Baht'000</u>	<u>Three-month period Baht'000</u>	<u>Six-month period Baht'000</u>
Sales of electricity				
- Major shareholder	2,205,407	4,498,166	-	-

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15 Related party transactions (continued)

(a) Sales of electricity (continued)

For the three-month and six-month periods ended 30 June 2006

	<u>Consolidated</u>		<u>Company</u>	
	<u>Three-month period Restated Baht'000</u>	<u>Six-month period Restated Baht'000</u>	<u>Three-month period Baht'000</u>	<u>Six-month period Baht'000</u>
Sales of electricity				
- Major shareholder	3,100,266	6,241,876	-	-

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

The sales of electricity for the three-month and six-month periods ended 30 June 2007 included the compensation from exchange rate effects approximately Baht 101 million and Baht 215 million, respectively (for the three-month and six-month periods ended 30 June 2006 amounted of Baht 209 million and Baht 450 million, respectively).

(b) Service income and major maintenance expenses

For the three-month and six-month periods ended 30 June 2007

	<u>Consolidated</u>		<u>Company</u>	
	<u>Three-month period Baht'000</u>	<u>Six-month period Baht'000</u>	<u>Three-month period Baht'000</u>	<u>Six-month period Baht'000</u>
Service income				
- Major shareholder	14,389	22,707	-	-
Major maintenance expenses				
- Major shareholder	65,545	108,513	-	-

For the three-month and six-month periods ended 30 June 2006

	<u>Consolidated</u>		<u>Company</u>	
	<u>Three-month period Restated Baht'000</u>	<u>Six-month period Restated Baht'000</u>	<u>Three-month period Baht'000</u>	<u>Six-month period Baht'000</u>
Service income				
- Major shareholder	10,391	25,401	-	-
Major maintenance expenses				
- Major shareholder	83,799	151,385	-	-

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

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15 Related party transactions (continued)

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

As at	Consolidated		Company	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	Baht'000	Restated Baht'000	Baht'000	Baht'000
Trade receivable from a related party				
- Major shareholder	1,585,595	1,888,195	-	-
Trade receivable from a related party as at 30 June 2007 and 31 December 2006 can be analysed as follow:				
Not over due	1,578,305	1,864,241	-	-
Overdue below 3 months	-	11,373	-	-
Overdue 3 - 6 months	1,211	6,436	-	-
Overdue 6 - 12 months	-	1,419	-	-
Overdue over 12 months	6,079	4,726	-	-
	<u>1,585,595</u>	<u>1,888,195</u>	<u>-</u>	<u>-</u>
Trade payable to a related party				
- Major shareholder	62,965	100,265	-	-

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

As at	Consolidated		Company	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	Baht'000	Restated Baht'000	Baht'000	Baht'000
<u>Amounts due from related parties</u>				
- Major shareholder	44,353	3,415	-	-
- Subsidiaries	268	455	18,649	9,544
- Joint ventures	200,100	211,686	196,316	198,675
- Other related parties	5,387	-	-	-
	<u>250,108</u>	<u>215,556</u>	<u>214,965</u>	<u>208,219</u>
<u>Amounts due to related parties</u>				
- Subsidiaries	-	-	80,279	3
- Other related parties	4,635	4,647,523	-	4,645,000
	<u>4,635</u>	<u>4,647,523</u>	<u>80,279</u>	<u>4,645,003</u>

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15 Related party transactions (continued)

(e) Loans to related parties, net

As at	Consolidated		Company	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	Baht'000	Restated Baht'000	Baht'000	Baht'000
Current portion of long-term loans to related parties				
- Subsidiaries	-	-	839,800	812,760
- Joint venture	-	100,000	-	100,000
	-	100,000	839,800	912,760
Long-term loans to related parties, net				
- Subsidiaries	-	-	2,133,820	2,567,240
- Joint venture	-	-	-	-
	-	-	2,133,820	2,567,240
	-	100,000	2,973,620	3,480,000

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

For the six-month periods ended 30 June	Consolidated	Company
	2007	2007
	Baht'000	Baht'000
Subsidiaries		
Beginning balance	-	3,380,000
Loans advanced during the period	-	-
Loan repayments received during the period	-	(406,380)
Ending balance	-	2,973,620
Joint venture		
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	(100,000)	(100,000)
Ending balance	-	-

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15 Related party transactions (continued)

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

As at	Consolidated		Company	
	30 June 2007 Baht'000	31 December 2006 Baht'000	30 June 2007 Baht'000	31 December 2006 Baht'000
Investment in debentures				
- Subsidiary	-	-	32,928	36,098
Interest receivable				
- Subsidiary	-	-	286	334

For the three-month and six-month periods ended 30 June 2007

	Consolidated		Company	
	Three-month period Baht'000	Six-month period Baht'000	Three-month period Baht'000	Six-month period Baht'000
Interest income				
- Subsidiary	-	-	1,660	3,332

For the three-month and six-month periods ended 30 June 2006

	Consolidated		Company	
	Three-month period Baht'000	Six-month period Baht'000	Three-month period Baht'000	Six-month period Baht'000
Interest income				
- Subsidiary	-	-	1,934	3,876

Investment in debentures of a subsidiary was included in short-term and long-term investments in the company balance sheets as at 30 June 2007 and 31 December 2006.

16 Commitments and contingent liabilities

For the six-month period ended 30 June 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 30 June 2007, the Company had commitments under Sponsor Support Agreements, which were made in respect of loans of subsidiaries and other related parties, totalling Baht 422 million.
- (b) As at 30 June 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 8,609 million.
- (c) - 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 Dollars 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)).
 - In June 2007, the joint venture BLCP called for additional paid-up share capital at Baht 15 per share for 100 million shares and additional paid-up share capital at Baht 100 per share for 5.16 million shares. The Group has committed to pay for the additional paid-up shares in the same proportion as its original investment of Baht 1,008 million in July 2007.
 - As at 30 June 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 EGAT for a period of 25 years, commencing the Commercial Operation Date of the second unit. Under this agreement, BLCP has committed to deposit the Development Security with EGAT for the proper and faithful performance. As at 30 June 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.

17 Postponement of Commercial Operation of a joint venture

During the first quarter of 2007, a subsidiary of a joint venture Gulf was not able to commence the Commercial Operation Date of the first unit as specified in the Power Purchase Agreement entered into with EGAT. This is because the contractor could not completely construct the power plant to meet the conditions and specification stipulated in the EPC Contract. However, Gulf could start the commercial operation on 5 May 2007. As a result of such event, as at 30 June 2007 Gulf has obliged to pay a fine of approximately Baht 191 million for the delay of the commercial operation. According to the conditions in the EPC Contract; however, Gulf could be reimbursed the liquidated damages for the delay of the construction from the contractor of totalling Baht 763 million, which was already paid by the contractor during this quarter. Compensating income from the contractor and expenses to be paid to EGAT were offset and net presented as 'compensating income of postponement of commercial operation' in the consolidated statements of income of Gulf for the three-month and six-month periods ended 30 June 2007.

17 Postponement of Commercial Operation of a joint venture (continued)

The Company recognised the net result of these transactions, amounting to Baht 152 million and Baht 286 million which were presented as share of profit from interests in joint ventures in the consolidated statement of income for the three-month and six-month periods ended 30 June 2007, respectively.

18 Post balance sheet events

Post balance sheet event of the Company

The Executive Committee meeting on 17 July 2007 resolved to change the investment structure in the Group for business flexibility by liquidating Thai LNG Power Corporation Limited (TLPC), the Company wholly owned subsidiary, and transferring its total net assets to the Company. Such transaction does not have a significant impact on the Company's financial status and operating result. The liquidation process of TLPC should be completed within 2008.