

ELECTRICITY GENERATING PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND COMPANY  
FINANCIAL STATEMENTS (UNAUDITED)

30 September 2004

## **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 September 2004, and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2004 and 2003, and the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2004 and 2003 of Electricity Generating Public Company Limited and its subsidiaries, and of Electricity Generating Public Company Limited, respectively. These financial statements are the responsibility of the Company's management. My responsibility is to issue a report on these financial statements based on my reviews.

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

Based on my reviews, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements referred to 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 2003 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 23 February 2004. The consolidated and company balance sheets as at 31 December 2003, presented herewith for comparative purposes, are part of the consolidated and company financial statements which were audited and upon which a report was issued as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

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

Bangkok  
11 November 2004

**Electricity Generating Public Company Limited**

**Balance Sheets**

**As at 30 September 2004 and 31 December 2003**

	Notes	Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
		30 September 2004 Baht'000	31 December 2003 Baht'000	30 September 2004 Baht'000	31 December 2003 Baht'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents		2,356,982	1,730,770	1,332,848	771,787
Short-term investments					
- Deposits at banks and financial institutions		1,093,379	2,263,087	400,811	1,664,238
- Marketable securities	7, 16	312,543	490,045	295,292	481,158
Short-term investments used as collateral	5, 10, 11, 16				
- Deposits at banks and financial institutions		7,071,065	6,453,363	-	-
- Marketable securities		1,901,363	599,619	-	-
Trade receivables, net	6	348,192	313,127	-	-
Trade receivable from a related party	16	2,435,410	1,331,680	-	-
Dividends receivable from subsidiaries		-	-	3,963,284	1,198,652
Amounts due from related parties	16	25,943	56,922	13,333	50,266
Current portion of long-term loans to related parties	16	33,049	-	66,098	-
Spare parts and supplies, net		3,598,565	2,878,129	-	-
Other current assets		414,884	357,863	100,509	30,681
<b>Total Current Assets</b>		<b>19,591,375</b>	<b>16,474,605</b>	<b>6,172,175</b>	<b>4,196,782</b>
<b>Non-Current Assets</b>					
Long-term investments in marketable securities and others	7, 16	2,681,334	3,331,361	2,691,556	3,345,842
Long-term investments used as collateral	5, 10, 11, 16				
- Deposits at banks and financial institutions		1,238,774	1,517,743	-	-
- Marketable securities		79,284	1,383,075	-	-
Long-term loans to related parties, net	16	700,325	32,490	875,325	32,490
Investments in subsidiaries	8	-	493	14,286,216	15,805,338
Investment in an associate	8	357,130	338,009	-	-
Interests in joint ventures, net	8	10,417	30,968	3,479,294	3,201,548
Property, plant and equipment, net	9	29,730,261	31,543,405	757,187	793,534
Goodwill, net	9	1,181,134	1,289,033	-	-
Other non-current assets, net		639,564	495,437	20,431	49,866
<b>Total Non-Current Assets</b>		<b>36,618,223</b>	<b>39,962,014</b>	<b>22,110,009</b>	<b>23,228,618</b>
<b>Total Assets</b>		<b>56,209,598</b>	<b>56,436,619</b>	<b>28,282,184</b>	<b>27,425,400</b>

Director .....

Date .....

The notes to the interim consolidated and company financial statements on pages 11 to 27 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited

Balance Sheets

As at 30 September 2004 and 31 December 2003

	Notes	Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
		30 September 2004 Baht'000	31 December 2003 Baht'000	30 September 2004 Baht'000	31 December 2003 Baht'000
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Bank overdrafts and short-term loans from banks		340,000	319,696	-	-
Trade payables		335,340	541,240	-	-
Trade payable to a related party	16	26,391	75,567	-	-
Amounts due to related parties	16	28,267	16,709	72	38
Current portion of long-term loans from financial institutions and debentures, net	10, 11, 16	5,038,094	5,677,963	714,050	1,400,650
Current portion of long-term loans from a co-investor in a joint venture		33,049	50,000	-	-
Other current liabilities					
- Interest payable	16	572,623	160,660	25,422	21,797
- Value added tax payable		175,697	154,439	-	-
- Income tax payable		70,015	127,132	-	-
- Others		446,713	409,992	97,898	105,943
<b>Total Current Liabilities</b>		<b>7,066,189</b>	<b>7,533,398</b>	<b>837,442</b>	<b>1,528,428</b>
<b>Non-Current Liabilities</b>					
Long-term loans from financial institutions, net	10	15,293,671	16,450,329	-	-
Debentures, net	11, 16	5,307,684	5,559,275	-	-
Long-term loans from a co-investor in a joint venture, net		175,000	175,000	-	-
Other non-current liabilities		8,865	17,581	-	-
<b>Total Non-Current Liabilities</b>		<b>20,785,220</b>	<b>22,202,185</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>27,851,409</b>	<b>29,735,583</b>	<b>837,442</b>	<b>1,528,428</b>
<b>Shareholders' Equity</b>					
Share capital	12				
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	12	8,601,300	8,601,300	8,601,300	8,601,300
Retained earnings					
Appropriated					
- Legal reserve		530,000	530,000	530,000	530,000
Unappropriated		12,721,490	10,474,834	12,721,490	10,474,834
Unrealised gains on investments in marketable securities - available-for-sale		357,523	1,206,632	410,455	1,261,160
Translation adjustments		(30,984)	(182,803)	(30,984)	(182,803)
<b>Total parent's shareholders' equity</b>		<b>27,443,979</b>	<b>25,894,613</b>	<b>27,496,911</b>	<b>25,949,141</b>
Minority interest		966,379	858,592	-	-
<b>Total Shareholders' Equity</b>		<b>28,410,358</b>	<b>26,753,205</b>	<b>27,496,911</b>	<b>25,949,141</b>
<u>Less</u> Treasury stock	12	(52,169)	(52,169)	(52,169)	(52,169)
<b>Total Shareholders' Equity, net</b>		<b>28,358,189</b>	<b>26,701,036</b>	<b>27,444,742</b>	<b>25,896,972</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>56,209,598</b>	<b>56,436,619</b>	<b>28,282,184</b>	<b>27,425,400</b>

The notes to the interim consolidated and company financial statements on pages 11 to 27 are an integral part of these interim financial statements.

## Statements of Income

For the three-month periods ended 30 September 2004 and 2003

	Notes	Consolidated		Company	
		2004	2003	2004	2003
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Sales and service income	16	4,051,592	3,891,978	-	-
Cost of sales and cost of services	2, 16	(1,794,640)	(1,783,281)	-	-
<b>Gross profit</b>		2,256,952	2,108,697	-	-
Administrative expenses	2	(263,130)	(196,739)	(81,937)	(77,261)
<b>Profit (loss) from sales and services</b>		1,993,822	1,911,958	(81,937)	(77,261)
Other income					
- Interest income	16	76,011	67,311	25,511	13,029
- Dividend income		25,941	259,416	25,941	259,416
- Others		14,829	10,711	28,004	12,897
Directors' remuneration		(2,731)	(2,513)	(1,393)	(1,572)
Currency exchange gains (losses)		(107,424)	387,469	3,163	-
<b>Operating results</b>		2,000,448	2,634,352	(711)	206,509
Share of profit (loss) from subsidiaries, an associate and joint ventures	2, 8	15,081	(15,606)	1,297,636	1,697,307
<b>Profit before interest and tax</b>		2,015,529	2,618,746	1,296,925	1,903,816
Interest expenses	16	(552,330)	(641,477)	(12,777)	(31,533)
Income tax		(125,590)	(20,858)	-	-
<b>Profit before minorities</b>		1,337,609	1,956,411	1,284,148	1,872,283
Profit attributable to minorities		53,461	84,128	-	-
<b>Net profit for the period</b>	2	1,284,148	1,872,283	1,284,148	1,872,283
<b>Basic earnings per share (Baht)</b>	2, 4				
Profit before minorities		2.55	3.72	2.44	3.56
Profit attributable to minorities		0.11	0.16	-	-
<b>Net profit for the period</b>		2.44	3.56	2.44	3.56

The notes to the interim consolidated and company financial statements on pages 11 to 27 are an integral part of these interim financial statements.

## Statements of Income

For the nine-month periods ended 30 September 2004 and 2003

	Notes	Consolidated		Company	
		2004	2003	2004	2003
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Sales and service income	16	11,973,505	11,614,329	-	-
Cost of sales and cost of services	2, 16	(5,383,237)	(3,990,362)	-	-
<b>Gross profit</b>		6,590,268	7,623,967	-	-
Administrative expenses	2	(802,305)	(767,137)	(243,092)	(263,702)
<b>Profit (loss) from sales and services</b>		5,787,963	6,856,830	(243,092)	(263,702)
Other income					
- Interest income	16	213,955	220,650	64,712	35,028
- Dividend income		375,014	364,961	375,014	364,961
- Others		43,947	53,705	74,925	35,324
Impairment charge	2, 9	(10,500)	(170,482)	-	(66,133)
Directors' remuneration		(7,739)	(7,457)	(4,429)	(4,690)
Currency exchange gains (losses)		(335,471)	638,934	13,511	-
<b>Operating results</b>		6,067,169	7,957,141	280,641	100,788
Share of profit (loss) from subsidiaries, an associate and joint ventures	2, 8	(1,923)	(536,339)	3,568,984	5,099,197
<b>Profit before interest and tax</b>		6,065,246	7,420,802	3,849,625	5,199,985
Interest expenses	16	(1,706,347)	(2,010,375)	(49,025)	(109,723)
Income tax		(382,341)	(58,703)	-	-
<b>Profit before minorities</b>		3,976,558	5,351,724	3,800,600	5,090,262
Profit attributable to minorities		175,958	261,462	-	-
<b>Net profit for the period</b>	2	3,800,600	5,090,262	3,800,600	5,090,262
<b>Basic earnings per share (Baht)</b>	2, 4				
Profit before minorities		7.57	10.19	7.23	9.69
Profit attributable to minorities		0.34	0.50	-	-
Net profit for the period		7.23	9.69	7.23	9.69

The notes to the interim consolidated and company financial statements on pages 11 to 27 are an integral part of these interim financial statements.

## Statements of Changes in Shareholders' Equity

For the nine-month periods ended 30 September 2004 and 2003

									Consolidated
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Retained earnings	Fair value reserve	Translation adjustments	Minority interest	Treasury stock	Total
Notes	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b>Opening balance as at 1 January 2004</b>	5,264,650	8,601,300	530,000	10,474,834	1,206,632	(182,803)	858,592	(52,169)	26,701,036
Translation adjustments	-	-	-	-	-	151,819	1,721	-	153,540
Net profit for the period	-	-	-	3,800,600	-	-	-	-	3,800,600
Dividends	13	-	-	(1,553,944)	-	-	(69,892)	-	(1,623,836)
Unrealised losses on investments in marketable securities - available-for-sale	-	-	-	-	(849,109)	-	-	-	(849,109)
Minority interest	-	-	-	-	-	-	175,958	-	175,958
<b>Closing balance as at 30 September 2004</b>	<b>5,264,650</b>	<b>8,601,300</b>	<b>530,000</b>	<b>12,721,490</b>	<b>357,523</b>	<b>(30,984)</b>	<b>966,379</b>	<b>(52,169)</b>	<b>28,358,189</b>
<b>Opening balance as at 1 January 2003</b>	5,264,650	8,601,300	530,000	5,769,104	185,797	(75,249)	724,297	(52,169)	20,947,730
Ordinary shares	-	-	-	-	-	-	12,164	-	12,164
Translation adjustments	-	-	-	-	-	(84,859)	(6,850)	-	(91,709)
Net profit for the period (restated)	2	-	-	5,090,262	-	-	-	-	5,090,262
Dividends	13	-	-	(1,297,611)	-	-	(181,594)	-	(1,479,205)
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	490,324	-	96	-	490,420
Minority interest	-	-	-	-	-	-	261,462	-	261,462
<b>Closing balance as at 30 September 2003</b>	<b>5,264,650</b>	<b>8,601,300</b>	<b>530,000</b>	<b>9,561,755</b>	<b>676,121</b>	<b>(160,108)</b>	<b>809,575</b>	<b>(52,169)</b>	<b>25,231,124</b>

The notes to the interim consolidated and company financial statements on pages 11 to 27 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited  
 Statements of Changes in Shareholders' Equity  
 For the nine-month periods ended 30 September 2004 and 2003

Unaudited

	Company								
		Issued and paid-up share capital	Premium on share capital	Legal reserve	Retained earnings	Fair value reserve	Translation adjustments	Treasury stock	Total
	Notes	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b>Opening balance as at 1 January 2004</b>		5,264,650	8,601,300	530,000	10,474,834	1,261,160	(182,803)	(52,169)	25,896,972
Translation adjustments		-	-	-	-	-	151,819	-	151,819
Net profit for the period		-	-	-	3,800,600	-	-	-	3,800,600
Dividends	13	-	-	-	(1,553,944)	-	-	-	(1,553,944)
Unrealised losses on investments in marketable securities - available-for-sale		-	-	-	-	(850,705)	-	-	(850,705)
<b>Closing balance as at 30 September 2004</b>		<u>5,264,650</u>	<u>8,601,300</u>	<u>530,000</u>	<u>12,721,490</u>	<u>410,455</u>	<u>(30,984)</u>	<u>(52,169)</u>	<u>27,444,742</u>
<b>Opening balance as at 1 January 2003</b>		5,264,650	8,601,300	530,000	5,769,104	249,931	(75,249)	(52,169)	20,287,567
Translation adjustments		-	-	-	-	-	(84,859)	-	(84,859)
Net profit for the period (restated)	2	-	-	-	5,090,262	-	-	-	5,090,262
Dividends	13	-	-	-	(1,297,611)	-	-	-	(1,297,611)
Unrealised gains on investments in marketable securities - available-for-sale		-	-	-	-	494,440	-	-	494,440
<b>Closing balance as at 30 September 2003</b>		<u>5,264,650</u>	<u>8,601,300</u>	<u>530,000</u>	<u>9,561,755</u>	<u>744,371</u>	<u>(160,108)</u>	<u>(52,169)</u>	<u>24,489,799</u>

The notes to the interim consolidated and company financial statements on pages 11 to 27 are an integral part of these interim financial statements.

**Electricity Generating Public Company Limited**  
**Statements of Cash Flows**  
**For the nine-month periods ended 30 September 2004 and 2003**

**Unaudited**

	Notes	Consolidated		Company	
		2004	2003	2004	2003
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
<b>Cash flows from operating activities</b>					
Net profit for the period		3,800,600	5,090,262	3,800,600	5,090,262
Adjustments to reconcile net profit to net cash provided by operations:					
- Depreciation and amortisation of goodwill	9	1,871,280	1,872,730	42,009	48,402
- Depreciation of other non-current assets		11,136	6,631	29	30
- Impairment charge and write-off goodwill	9	53,786	-	-	66,133
- Write-off development costs		35,862	288,072	-	-
- Write-off property, plant and equipment		54,490	-	-	-
- Write-off bad debt		44,047	-	-	-
- Allowance for obsolescence		7	8,501	-	-
- Unrealised currency exchange (gains) losses		330,127	(626,313)	(13,536)	-
- Lossess (gains) on disposals of property, plant and equipment		305	(1,259)	(720)	(479)
- Dividends received from other companies		(375,014)	(364,961)	(375,014)	(364,961)
- Shares of (profit) loss from subsidiaries, an associate and joint ventures	2, 8	1,923	536,339	(3,568,984)	(5,099,197)
- Minority interest		175,958	261,462	-	-
- Others		4,723	4,889	-	-
Cash flows before changes in operating assets and liabilities		6,009,230	7,076,353	(115,616)	(259,810)
Changes in operating assets and liabilities: (excluding the effects of acquisition and disposal)					
- Short-term and long-term investments used as collateral		(131,353)	(1,323,840)	-	-
- Trade accounts receivable and trade receivable from a related party		(1,144,137)	(735,557)	-	-
- Amounts due from related parties		(18,360)	12,299	36,933	(11,921)
- Spare parts and supplies		(484,532)	(212,285)	-	-
- Other current assets		(49,968)	(210,810)	(69,826)	(21,497)
- Other non-current assets		29,510	9,909	29,404	20,380
- Trade payables and trade payable to a related party		(47,175)	(176,195)	-	116
- Amounts due to related parties		(33,580)	(7,810)	35	-
- Other current liabilities		300,557	432,005	(11,130)	23,246
- Other non-current liabilities		744	5,803	-	-
Net cash receipts (payments) from operating activities		4,430,936	4,869,872	(130,200)	(249,486)

The notes to the interim consolidated and company financial statements on pages 11 to 27 are an integral part of these interim financial statements.

**Electricity Generating Public Company Limited**  
**Statements of Cash Flows**  
**For the nine-month periods ended 30 September 2004 and 2003**

**Unaudited**

	Notes	Consolidated		Company	
		2004	2003	2004	2003
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
<b>Cash flows from investing activities</b>					
Investments in subsidiaries and interest in a joint venture	8	-	(71,246)	(232,000)	(151,102)
Proceeds from reduction of authorised share capital of a subsidiary		-	-	-	100,000
Net (purchases) disposals of short-term investments		1,374,604	(298,965)	1,454,644	(210,405)
Net (purchases) disposals of long-term investments		(197,921)	7,219	(197,921)	3,514
Net purchase of property, plant and equipment		(273,318)	(1,835,027)	(4,942)	(12,830)
Advance payment to subcontractor		-	(34,071)	-	-
Loans and advances made to related parties		(757,632)	(14,167)	(929,298)	-
Proceed from loans to a related party		-	-	33,902	-
Payment on investment in a subsidiary of a joint ventures		(158,951)	-	-	-
Dividends received from subsidiaries		-	-	2,425,697	2,385,992
Dividends received from other companies		375,014	364,961	375,014	364,961
Others		(6,447)	-	-	-
Net cash receipts (payments) from investing activities		<u>355,349</u>	<u>(1,881,296)</u>	<u>2,925,096</u>	<u>2,480,130</u>
<b>Cash flows from financing activities</b>					
Proceeds from issue of ordinary shares from minority of a subsidiary and of a subsidiary of a joint venture		-	10,523	-	-
Payments on finance lease		(1,725)	-	-	-
Net proceeds on short-term loans		20,312	355,758	-	434,007
Payment on short-term loan from co-investors in a joint venture		-	(69,164)	-	-
Proceeds from long-term loans from financial institutions	10	115,570	3,275,175	-	-
Proceeds from long-term loans from co-investors in a joint venture		16,951	-	-	-
Payments on long-term loans from financial institutions and debentures	10, 11	(2,768,425)	(4,515,495)	(686,600)	(634,800)
Dividends paid to shareholders		(1,547,787)	(1,475,829)	(1,547,235)	(1,284,262)
Proceeds from advance from a co-investor in a joint venture		-	330	-	-
Net cash payments from financing activities		<u>(4,165,104)</u>	<u>(2,418,702)</u>	<u>(2,233,835)</u>	<u>(1,485,055)</u>
<b>Net increase in cash and cash equivalents</b>					
Beginning balance		621,181	569,874	561,061	745,589
Effects of exchange rate changes		1,730,770	2,274,707	771,787	1,125,362
Ending balance		<u>5,031</u>	<u>(10,404)</u>	<u>-</u>	<u>-</u>
		<u>2,356,982</u>	<u>2,834,177</u>	<u>1,332,848</u>	<u>1,870,951</u>

The notes to the interim consolidated and company financial statements on pages 11 to 27 are an integral part of these interim financial statements.

## Statements of Cash Flows

For the nine-month periods ended 30 September 2004 and 2003

	Consolidated		Company	
	2004	2003	2004	2003
		Restated		Restated
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash and cash equivalents are made up as follows:</b>				
- Cash in hand and deposits at banks	844,496	2,675,986	54,298	1,870,951
- Short-term investments - maturity within three months	1,512,486	158,191	1,278,550	-
	<u>2,356,982</u>	<u>2,834,177</u>	<u>1,332,848</u>	<u>1,870,951</u>
<b>Supplementary information for cash flows:</b>				
Interest paid	1,264,986	1,361,964	17,859	90,052
Tax paid	341,307	28,522	-	-
<b>Non-cash transactions</b>				
Increase in property, plant and equipment by other payables	-	247,760	-	-
Reclassification of utilised capital spare parts to property, plant and equipment	91,454	-	-	-
Reclassification of unutilised capital spare parts from property, plant and equipment	268,448	-	-	-

The notes to the interim consolidated and company financial statements on pages 11 to 27 are an integral part of these interim financial statements.

## **1 Accounting policies**

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued by the Institute of Certified Accountants and Auditors of Thailand and approved under law by the Board of Supervision of Auditing Practice appointed by the Minister of Commerce under the Auditor Act B.E. 2505, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial statements are prepared in a condensed format according to Thai Accounting Standard 41, "Interim Financial Reporting" and additional notes are presented as required by the Securities and Exchange Commission.

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

For the convenience of the user, an English translation of the interim consolidated and company financial statements has been prepared from the interim financial statements that are issued in the Thai language.

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

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2003.

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

Income tax expense is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year. In the nine-month period ended 30 September 2004, a subsidiary of the Company has fully utilised its tax losses brought forward and therefore will be subject to paying corporate income tax on an annual basis for 2004 subject to tax profitability.

These interim financial statements should be read in conjunction with the 2003 annual financial statements.

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

## **2 Changes in accounting policies**

During 2003, the Group adopted Thai Accounting Standard no. 51: "Intangible Assets" and changed its accounting policy as detailed below.

a) "Intangible assets": Thai Accounting Standard no. 51

The Group adopted the provisions of Thai Accounting Standard no. 51: "Intangible Assets." Previously certain items were recognised as separate assets in the financial statements, however under the provisions of TAS 51 these items do not meet the definition of, or recognition criteria for, intangible assets. Accordingly, these items have now been derecognised. These items mainly relate to development expenditure of Nam Theun 2 project and Bo Nok project.

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

b) Major repair and maintenance expenses

The Group changed its accounting policy in respect of major repair and maintenance expenses and began to record capital spare parts whose estimated useful life is more than one year on the replacement basis. Capital spare parts are capitalised and depreciated using the straight line method over their estimated useful life when used in major repair and maintenance processes. Previously, such capital spare parts were expensed when incurred.

The Group did not restate the consolidated and company financial statements for the year ended 31 December 2002, as the net effect was not material. Cumulative effects of the changes in accounting policies to retained earnings - brought forward as at 1 January 2003 amounting to Baht 213 million were included in the consolidated and company financial statements for the year ended 31 December 2003. However, for the purpose of presenting the interim consolidated and company financial statements for the three-month and nine-month periods ended 30 September 2003, retrospective adjustments, including the cumulative effects, were accounted for in the interim consolidated and company financial statements for the three-month and nine-month periods ended 30 September 2003 because these changes in accounting policies were effective on 1 January 2003.

The effect of these changes on the consolidated and company balance sheets as at 30 September 2003 and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2003 is as follows:

	<b>30 September 2003</b>	
	<b>Consolidated</b>	<b>Company</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>Balance sheets</b>		
Increase in investments in subsidiaries	-	1,105,644
Decrease in interests in joint ventures, net	(558,710)	(846,782)
Increase in spare parts and supplies, net	2,831	-
Increase in property, plant and equipment, net	1,102,813	-
Decrease in other non-current assets, net	(288,072)	-
Increase in retained earnings as at 30 September 2003	258,862	258,862

	<b>30 September 2003</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period Baht'000</b>	<b>Nine-month period Baht'000</b>	<b>Three-month period Baht'000</b>	<b>Nine-month period Baht'000</b>
<b>Statements of income</b>				
Decrease in cost of sales	141,427	1,105,644	-	-
Increase in administrative expenses	(6,483)	(117,590)	-	-
Increase in impairment charge	-	(170,482)	-	(66,133)
Increase (decrease) in share of profit of subsidiaries and joint ventures	(19,271)	(558,710)	115,673	324,995
Increase in net profit	<u>115,673</u>	<u>258,862</u>	<u>115,673</u>	<u>258,862</u>
Increase in basic earnings per share (Baht)	0.22	0.49	0.22	0.49

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**3 Segment information**

**Financial information by geographical segments**

**For three-month and nine-month periods ended 30 September 2004**

	<b>Thailand</b>		<b>Philippines</b>		<b>Consolidated</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Revenue from sales and						
service income	3,861,988	11,413,256	189,604	560,249	4,051,592	11,973,505
Gross profit	2,111,142	6,157,173	145,810	433,095	2,256,952	6,590,268
Operating results	1,909,753	5,717,328	90,695	349,841	2,000,448	6,067,169
Net profit for the period	1,261,887	3,691,992	22,261	108,608	1,284,148	3,800,600

**For three-month and nine-month periods ended 30 September 2003 (Restated)**

	<b>Thailand</b>		<b>Philippines</b>		<b>Consolidated</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Revenue from sales and						
service income	3,687,924	10,902,058	204,054	712,271	3,891,978	11,614,329
Gross profit	1,938,223	7,052,715	170,474	571,252	2,108,697	7,623,967
Operating results	2,509,046	7,472,016	125,306	485,125	2,634,352	7,957,141
Net profit for the period	1,837,599	4,919,149	34,684	171,113	1,872,283	5,090,262

**4 Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of ordinary shares in issue during the period, net of treasury stock (2004 : 525,164,200 shares and 2003 : 525,164,200 shares).

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

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

**Subsidiaries of the Company**

Deposits at banks and financial institutions used as collateral are mainly of Rayong Electricity Generating Company Limited (REGCO) and Khanom Electricity Generating Company Limited (KEGCO), and comprise cash reserves required to be maintained under their loan agreements and debentures for the purpose of repayment of principal and interest due within one year, and as a reserve to minimise exchange rate risk. These cash reserves are provided from the proceeds of the sale of electricity. As at 30 September 2004, these cash reserves amounted to Baht 5,629 million (31 December 2003 : Baht 4,137 million). The remaining balance of short-term and long-term investments used as collateral of Baht 2,394 million (31 December 2003 : Baht 2,033 million) represent collateralised deposits maintained in accordance with the loan agreements, but which can be used subject to certain lender approvals.

**5 Short-term and long-term investments used as collateral (Continued)**

**Subsidiaries of the Company (Continued)**

The cash reserve for minimising exchange risk represents deposits in US Dollars. The two subsidiaries have to provide this reserve until such account equals the lower of 25% of the aggregate outstanding unhedged US Dollar loans or an amount of US Dollars 60 million. During the third quarter of 2004, the lenders approved the proposal of allowing KEGCO not to provide the exchange risk reserve anymore. For REGCO, the approval is being reviewed and has not yet been finalised at the date of this report. Thus, this reserve balance amounting to US Dollars 30 million as at 30 September 2004 was for REGCO only.

**Subsidiaries of Gulf**

Deposits at banks and financial institutions of Gulf totalling Baht 538 million are mainly of three subsidiaries which have been pledged as collateral to secure credit facilities according to long-term loan agreements. However, withdrawals can be made from the pledged accounts to provide working capital in the normal course of business of the subsidiaries.

**6 Trade receivables, net**

As at	Consolidated		Company	
	30 September 2004 Baht'000	31 December 2003 Baht'000	30 September 2004 Baht'000	31 December 2003 Baht'000
Trade receivables	351,527	316,462	-	-
<u>Less</u> Allowance for doubtful debts	<u>(3,335)</u>	<u>(3,335)</u>	<u>-</u>	<u>-</u>
Trade receivables, net	<u>348,192</u>	<u>313,127</u>	<u>-</u>	<u>-</u>

Outstanding trade receivables as at 30 September 2004 and 31 December 2003 can be analysed as follows:

Up to 3 months	309,509	273,952	-	-
3 – 6 months	18,979	21,041	-	-
6 – 12 months	660	-	-	-
Over 12 months	22,379	21,469	-	-
	<u>351,527</u>	<u>316,462</u>	<u>-</u>	<u>-</u>
<u>Less</u> Allowance for doubtful debts	<u>(3,335)</u>	<u>(3,335)</u>	<u>-</u>	<u>-</u>
Trade receivables, net	<u>348,192</u>	<u>313,217</u>	<u>-</u>	<u>-</u>

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**7 Investments in marketable securities and others**

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

	<b>Short-term investments</b>		<b>Long-term investments</b>	
	<b>Consolidated</b>	<b>Company</b>	<b>Consolidated</b>	<b>Company</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>For the nine-month period ended 30 September 2004</b>				
Opening amount	490,045	481,158	3,331,361	3,345,842
Additions	59,248	22,447	211,434	211,434
Disposals, net	(239,180)	(213,665)	(13,513)	(13,513)
Transfer from long-term investments to be current portion due within one year	1,179	4,101	(1,179)	(4,101)
Change in fair value of investments	1,251	1,251	(846,769)	(848,106)
Closing amount	<u>312,543</u>	<u>295,292</u>	<u>2,681,334</u>	<u>2,691,556</u>

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

As at	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2004</b>	<b>31 December 2003</b>	<b>30 September 2004</b>	<b>31 December 2003</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Investments in subsidiaries	-	493	14,286,216	15,805,338
Investment in an associate	357,130	338,009	-	-
Interests in joint ventures	10,417	30,968	3,887,427	3,609,681
<u>Less</u> Provision for impairment	-	-	(408,133)	(408,133)
Investments in subsidiaries and an associate and interests in joint ventures, net	<u>367,547</u>	<u>369,470</u>	<u>17,765,510</u>	<u>19,006,886</u>

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

	<b>Consolidated</b>	<b>Company</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>For the nine-month period ended 30 September 2004</b>		
Opening net book value	369,470	19,006,886
Call for additional paid-up share capital of a joint venture	-	232,000
Share of profit (loss) of investments in subsidiaries and an associate and interests in joint ventures	(1,923)	3,568,984
Dividends received from subsidiaries	-	(5,190,329)
Change in fair value of marketable securities - available-for-sale of a subsidiary	-	(3,850)
Translation adjustments	-	151,819
Closing net book value	<u>367,547</u>	<u>17,765,510</u>

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**8 Investments in subsidiaries and an associate and interests in joint ventures, net (Continued)**

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

Business	Portion of Investment (%)	Company				
		30 September 2004		31 December 2003		
		Cost Method Baht'000	Equity Method Baht'000	Cost Method Baht'000	Equity Method Baht'000	
	(including indirect holding)					
Rayong Electricity Generating Co., Ltd.	Electricity generating	99.99	4,700,000	5,939,706	4,700,000	7,216,975
Khanom Electricity Generating Co., Ltd.	Electricity generating	99.99	4,850,000	5,734,136	4,850,000	6,183,211
EGCO Engineering and Service Co., Ltd. and its subsidiary and joint venture	Power plant operation and maintenance services	99.99	250,000	264,687	250,000	297,562
- Subsidiary						
- Agro Energy Co., Ltd.	Trading / delivery services of natural scrap	99.99				
- Joint venture						
- Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00				
Egcom Tara Co., Ltd.	Tap water business	70.00	398,475	368,474	398,475	328,743
EGCO Green Energy Co., Ltd. and its subsidiary	Investing in biomass fueled electric generating plant	74.00	129,500	138,850	129,500	120,167
- Roi-Et Green Co., Ltd.	Develop, design, construct and test operation of fueled electric generating plant from husk	95.00				
EGCO International B.V.I	Investing in power energy projects	99.99	-	593,889	-	536,265
Thai LNG Power Corporation Limited and its subsidiary	Investing in power energy projects	100.00	525,000	511,353	525,000	516,460
- TLP Cogeneration Co., Ltd.	Electricity generating	80.00	424,000	735,121	424,000	605,955
			<u>11,276,975</u>	<u>14,286,216</u>	<u>11,276,975</u>	<u>15,805,338</u>

The investment in Agro Energy Company Limited was accounted for under the equity method and not consolidated in the consolidated financial statements as at 30 September 2004 and 31 December 2003 because its financial statements were not material to the Group.

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**8 Investments in subsidiaries and an associate and interests in joint ventures, net (Continued)**

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

		<b>Consolidated</b>				
		<b>30 September 2004</b>		<b>31 December 2003</b>		
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	
Amata-EGCO Power Co., Ltd.	Electricity generating	14.85	200,475	357,130	200,475	338,009
			<u>200,475</u>	<u>357,130</u>	<u>200,475</u>	<u>338,009</u>

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

		<b>Consolidated</b>				
		<b>30 September 2004</b>		<b>31 December 2003</b>		
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	
Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00	1,000	9,601	1,000	6,187
Nam Theun 2 Power Company Limited	Electricity generating (development phase)	25.00	753,249	816	753,249	24,781
			<u>754,249</u>	<u>10,417</u>	<u>754,249</u>	<u>30,968</u>

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

		<b>Company</b>				
		<b>30 September 2004</b>		<b>31 December 2003</b>		
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	
EGCO Joint Ventures and Development Co., Ltd. (EGCO JD)	Investing in power energy business	50.00	348,360	552,451	348,360	548,781
Gulf Electric Public Co., Ltd. (Gulf)	Investing in power energy business	50.00	2,462,000	2,482,070	2,230,000	2,366,060
Conal Holdings Corporation (Conal)	Investing in power energy business	40.00	1,002,467	852,090	1,002,467	670,059
Nam Theun 2 Power Company Limited	Electricity generating (development phase)	25.00	753,249	816	753,249	24,781
			<u>4,566,076</u>	<u>3,887,427</u>	<u>4,334,076</u>	<u>3,609,681</u>
<u>Less Provision for impairment</u>			<u>-</u>	<u>(408,133)</u>	<u>-</u>	<u>(408,133)</u>
			<u>4,566,076</u>	<u>3,479,294</u>	<u>4,334,076</u>	<u>3,201,548</u>

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**8 Investments in subsidiaries and an associate and interests in joint ventures, net (Continued)**

8.4 Principal movement in interests in joint ventures incurred during the nine-month period ended 30 September 2004 :

During the nine-month period ended 30 September 2004, Gulf issued new ordinary shares of 46.4 million shares at par value of Baht 10 per share which were priced at Baht 10 per share. The Group purchased all new shares issued in the same proportion as its original investment.

**9 Capital expenditure and commitments**

	Consolidated		Company	
	Property, plant and equipment Baht'000	Goodwill Baht'000	Property, plant and equipment Baht'000	Goodwill Baht'000
<b>For the nine-month period ended</b>				
<b>30 September 2004</b>				
Opening net book value	31,543,405	1,289,033	793,534	-
Additions	337,746	-	6,085	-
Disposals, net and transfer	(372,871)	-	(423)	-
Depreciation and amortisation	(1,806,038)	(65,242)	(42,009)	-
Impairment charge	(10,500)	-	-	-
Write off goodwill	-	(43,286)	-	-
Translation adjustments	38,519	629	-	-
Closing net book value	29,730,261	1,181,134	757,187	-

As at 30 September 2004, the Group has capital commitments in respect of construction of power plants and equipment but not recognised in the interim consolidated financial statements totalling US Dollars 1.11 million, Yen 26.95 million and Baht 276.34 million.

Goodwill written off in this nine-month period is in respect of Samutprakarn Cogeneration Company Limited and Nong Khae Cogeneration Company Limited which are wholly owned subsidiaries of the joint venture - Gulf. Subsequent to acquisition and the initial determination of goodwill, adjustment has been made to the fair value of certain receivable acquired, resulting in adjustment being made against goodwill, being a reduction of goodwill of Baht 43 million.

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**10 Long-term loans, net**

The long-term loans are as follows:

As at	Consolidated		Company	
	30 September 2004 Baht'000	31 December 2003 Baht'000	30 September 2004 Baht'000	31 December 2003 Baht'000
<b>Current portion of long-term loans, net</b>				
US Dollars	2,544,864	2,572,036	-	-
Peso Philippines	13,285	12,890	-	-
Japanese Yen	36,431	36,102	-	-
Thai Baht	594,579	617,503	-	-
<u>Less Deferred financing fee</u>	<u>(6,628)</u>	<u>(6,638)</u>	-	-
	<u>3,182,531</u>	<u>3,231,893</u>	-	-
<b>Long-term loans, net</b>				
US Dollars	12,154,533	12,834,559	-	-
Peso Philippines	58,969	63,661	-	-
Japanese Yen	401,503	347,562	-	-
Thai Baht	2,741,671	3,272,647	-	-
<u>Less Deferred financing fee, net</u>	<u>(63,005)</u>	<u>(68,100)</u>	-	-
	<u>15,293,671</u>	<u>16,450,329</u>	-	-
Total long-term loans, net	<u>18,476,202</u>	<u>19,682,222</u>	-	-

Long-term loans are secured liabilities. The long-term loans are secured over land, buildings, power plants and equipment of subsidiaries and joint ventures. The subsidiaries and joint ventures have to maintain cash reserves which are provided from the proceeds of sales of electricity for the purpose of repayment of principal and interest due within one year and as a reserve for minimising the exchange risk (referred to Note 5). In addition, the Power Purchase Agreements, the Asset Purchase Agreements, the Major Maintenance Agreements, insurance policies and other related agreements with the lenders have been assigned as collateral in accordance with the conditions under the Master Agreements.

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

	Consolidated	Company
	Baht'000	Baht'000
<b>For the nine-month period ended 30 September 2004</b>		
Opening net book amount	19,682,222	-
Additions of long-term loans	115,570	-
Repayments of long-term loans	(1,926,327)	-
Unrealised exchange losses	561,739	-
Amortisation of deferred financing fee	5,105	-
Translation adjustments	37,893	-
Closing net book amount	<u>18,476,202</u>	-

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**11 Debentures**

The debentures are debentures in Thai Baht of the Company and its two subsidiaries as follows:

As at	<u>Consolidated</u>		<u>Company</u>	
	<u>30 September 2004</u>	<u>31 December 2003</u>	<u>30 September 2004</u>	<u>31 December 2003</u>
	<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>
Current portion of debentures	1,855,563	2,446,070	714,050	1,400,650
Debentures, net	5,307,684	5,559,275	-	-
Total debentures	<u>7,163,247</u>	<u>8,005,345</u>	<u>714,050</u>	<u>1,400,650</u>

Subsidiaries' debentures of Baht 6,584 million are secured liabilities. The subsidiaries are required to maintain reserves for repayment of principal and interest due within one year as described in Note 5 and to pledge the relevant agreements as collateral as described in Note 10.

The movements of debentures can be analysed as follows:

	<u>Consolidated</u>	<u>Company</u>
	<u>Baht'000</u>	<u>Baht'000</u>
<b>For the nine-month period ended 30 September 2004</b>		
Opening amount	8,005,345	1,400,650
Debentures issued	-	-
Repayments of debentures	(842,098)	(686,600)
Closing amount	<u>7,163,247</u>	<u>714,050</u>

**12 Share capital and premium on share capital**

**For the nine-month period ended 30 September 2004**

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

As at 30 September 2004, the total authorised number of ordinary shares is 530,000,000 shares (31 December 2003: 530,000,000 shares) with a par value of Baht 10 per share (31 December 2003: Baht 10 per share). The amount of 526,465,000 shares are issued and fully paid.

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**13 Dividends**

The Annual General Shareholders' meeting on 26 April 2004 approved the payment of dividends in respect of the operating results for the second half year ended 2003 for 525,164,200 shares at Baht 1.50 per share, totalling Baht 788 million (2003 : Dividends for 525,164,200 shares of Baht 1.25 each, totalling Baht 656 million). These dividends were paid to the shareholders in May 2004.

The Board of Directors' meeting on 23 August 2004 approved the payment of an interim dividend in respect of the operating results for the six-month period ended 30 June 2004 for 525,164,200 shares at Baht 1.50 per share, totalling Baht 788 million. (2003 : Dividends for 525,164,200 shares of Baht 1.25 each, totalling Baht 656 million) These dividends were paid to shareholders in September 2004.

**14 Commitments and contingent liabilities**

For the nine-month period ended 30 September 2004, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 December 2003 except the following:

**Commitments and contingent liabilities of the Company**

As at 30 September 2004, the Company has commitments under the Sponsor Support Agreements, which were made in respect of loans of subsidiaries, an associate and joint ventures and performance bond of subsidiaries on behalf of the Company totalling Baht 811 million.

**15 Interests in joint ventures**

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

As at	EGCO Joint Venture and Development Company Limited		Gulf Electric Public Company Limited		Conal Holdings Corporation	
	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Balance sheets						
Current assets	133,983	149,861	1,126,131	1,164,997	972,268	882,375
Non-current assets	755,420	751,884	5,636,270	5,730,435	1,421,666	1,278,797
Current liabilities	(59,936)	(55,738)	(865,579)	(1,073,732)	(401,648)	(318,358)
Non-current liabilities	(277,016)	(297,227)	(3,338,247)	(3,473,662)	(940,620)	(1,042,713)
Net assets	552,451	548,780	2,558,575	2,348,038	1,051,666	800,101

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**15 Interests in joint ventures (Continued)**

**For the three-month and nine-month periods ended 30 September 2004**

	<b>EGCO Joint Venture and Development Company Limited</b>		<b>Gulf Electric Public Company Limited</b>		<b>Conal Holdings Corporation</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three- month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Profit and Loss						
Revenues	73,142	212,291	642,636	1,977,214	202,243	596,999
Expenses	(48,500)	(160,171)	(640,989)	(1,998,167)	(179,981)	(488,390)
Net profit (loss)	<u>24,642</u>	<u>52,120</u>	<u>1,647</u>	<u>(20,953)</u>	<u>22,262</u>	<u>108,609</u>
Joint venture proportion (%)		50		50		40

**For the three-month and nine-month periods ended 30 September 2003 (restated)**

	<b>EGCO Joint Venture and Development Company Limited</b>		<b>Gulf Electric Public Company Limited</b>		<b>Conal Holdings Corporation</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three- month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Profit and Loss						
Revenues	72,762	208,871	677,512	1,985,971	212,960	744,027
Expenses	(36,211)	(99,650)	(557,793)	(1,723,952)	(178,276)	(572,914)
Net profit	<u>36,551</u>	<u>109,221</u>	<u>119,719</u>	<u>262,019</u>	<u>34,684</u>	<u>171,113</u>
Joint venture proportion (%)		50		50		40

**16 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 shares are widely held.

The information on the Company's subsidiaries, an associate and joint ventures is shown in Note 8.

The following material transactions were carried out with related parties:

**(a) Sale of electricity**

**For the three-month and nine-month periods ended 30 September 2004**

	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine- month period</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Sale of electricity				

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- Electricity Generating Authority of Thailand	3,419,949	10,101,310	-	-
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**16 Related party transactions (Continued)**

**(a) Sale of electricity (Continued)**

**For the three-month and nine-month periods ended 30 September 2003**

	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Sale of electricity				
- Electricity Generating Authority of Thailand	3,392,975	9,994,594	-	-

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

The sales of electricity include compensation amounts from exchange rate effects of approximately Baht 289 million and Baht 791 million for the three-month and nine-month periods ended 30 September 2004, respectively (for the three-month and nine-month periods ended 30 September 2003 : Baht 238 million and Baht 798 million, respectively).

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

**For the three-month and nine-month periods ended 30 September 2004**

	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Service income				
- Electricity Generating Authority of Thailand	15,442	35,967	-	-
Major maintenance expenses				
- Electricity Generating Authority of Thailand	87,982	228,686	-	-

**For the three-month and nine-month periods ended 30 September 2003**

	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period</b>	<b>Nine-month period</b>	<b>Three-month period</b>	<b>Nine-month period</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Service income				
- Electricity Generating Authority of Thailand	20,425	32,977	-	-
Major maintenance expenses				
- Electricity Generating Authority of Thailand	125,495	181,623	-	-

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

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**16 Related party transactions (Continued)**

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

As at	Consolidated		Company	
	30 September	31 December	30 September	31 December
	2004	2003	2004	2003
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivable from a related party				
- Electricity Generating Authority of Thailand	2,435,410	1,331,680	-	-

Outstanding trade receivable as at 30 September 2004 and 31 December 2003 can be analysed as follow:

Up to 3 months	2,432,567	1,329,427	-	-
3 – 6 months	1,637	1,048	-	-
6 – 12 months	-	299	-	-
Over 12 months	1,206	906	-	-
	<u>2,435,410</u>	<u>1,331,680</u>	<u>-</u>	<u>-</u>

Trade payable to a related party				
- Electricity Generating Authority of Thailand	26,391	75,567	-	-

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

As at	Consolidated		Company	
	30 September	31 December	30 September	31 December
	2004	2003	2004	2003
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Amounts due from related parties</u>				
<u>Shareholder</u>				
- Electricity Generating Authority of Thailand	10,642	1,512	7,227	1,511
<u>Subsidiaries</u>				
- Rayong Electricity Generating Co., Ltd.	-	-	1,665	9,844
- Khanom Electricity Generating Co., Ltd.	-	6,202	1,587	9,970
- EGCO Engineering and Service Co.,Ltd.	-	9,348	1,517	8,377
- Egcom Tara Co., Ltd.	-	-	324	629
- Thai LNG Power Co., Ltd.	-	-	39	-
- TLP Cogeneration Co., Ltd.	-	-	449	4,859
- Roi-Et Green Co., Ltd.	-	-	445	2,470
<u>Joint ventures</u>				
- EGCO Joint Venture and Development Co., Ltd.	-	18,567	80	1,032
- Conal Holdings Corporation	7,479	10,176	-	-
- Amata Power-ESCO Service Co.,Ltd.	1,739	-	-	-
<u>Associate</u>				
- Amata-EGCO Power Co., Ltd.	5,408	11,117	-	11,117
Others	675	-	-	457
	<u>25,943</u>	<u>56,922</u>	<u>13,333</u>	<u>50,266</u>

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**16 Related party transactions (Continued)**

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

As at	Consolidated		Company	
	30 September 2004 Baht'000	31 December 2003 Baht'000	30 September 2004 Baht'000	31 December 2003 Baht'000
<u>Amounts due to related parties</u>				
<u>Subsidiaries</u>				
- Rayong Electricity Generating Co., Ltd.	-	-	-	38
- Khanom Electricity Generating Co., Ltd.	-	-	72	-
- Egcom Tara Co., Ltd.	3,674	-	-	-
- Roi-Et Green Co., Ltd.	1,246	-	-	-
<u>Joint ventures</u>				
- EGCO Joint Venture and Development Co., Ltd.	964	1,447	-	-
- Conal Holdings Corporation	21,727	15,262	-	-
Others	656	-	-	-
	<u>28,267</u>	<u>16,709</u>	<u>72</u>	<u>38</u>

**(e) Long-term loans to related parties**

As at	Consolidated		Company	
	30 September 2004 Baht'000	31 December 2003 Baht'000	30 September 2004 Baht'000	31 December 2003 Baht'000
<u>Associate</u>				
- Amata-EGCO Power Co., Ltd.	32,490	32,490	32,490	32,490
<u>Joint ventures</u>				
- Gulf Electric Public Company Limited				
- Current portion of long-term loan	33,049	-	66,098	-
- Long-term loan, net	175,000	-	350,000	-
	<u>208,049</u>	<u>-</u>	<u>416,098</u>	<u>-</u>
- Nam Theun 2 Power Company Limited	492,835	-	492,835	-
	<u>733,374</u>	<u>32,490</u>	<u>941,423</u>	<u>32,490</u>

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

The Company has entered into a Credit Facility Agreement with Gulf Electric Public Company Limited (GEC) on 24 February 2004 to provide a term loan in an amount of Baht 450 million to GEC for the prepayment of long-term loan with a local commercial bank. The repayment terms and other conditions under the new Credit Facility Agreement are not different from the original agreement.

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**16 Related party transactions (Continued)**

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

The Company also entered into a Sponsors Loan Agreement with Nam Theun 2 Power Company Limited (NTPC) on 19 December 2003 to provide a sponsor loan for the Nam Theun 2 Hydroelectric project in the total amount of US Dollars 24 million. The sponsor loan bears interest at LIBOR plus a certain margin. The repayment date of such loan together with interest is the earlier of 24 months from the signing date of this agreement and the date when the proceeds of the first drawdown, and the issuance of a notice declaring the outstanding loans made by non-defaulting shareholders. As at 30 September 2004, the Company has provided the loan to NTPC in an amount of US Dollars 11.90 million.

**(f) Investments in debentures issued by a subsidiary and the Company's debentures held by subsidiaries and related interest**

As at	Consolidated		Company	
	30 September 2004 Baht'000	31 December 2003 Baht'000	30 September 2004 Baht'000	31 December 2003 Baht'000
Investment in debentures				
- Khanom Electricity Generating Co., Ltd.	-	-	49,532	53,197
Interest receivable				
- Khanom Electricity Generating Co., Ltd.	-	-	2,763	477
The Company's debentures held by				
- Rayong Electricity Generating Co., Ltd.	-	-	7,141	14,007
- Khanom Electricity Generating Co., Ltd.	-	-	65,639	128,120
Interest payable				
- Rayong Electricity Generating Co., Ltd.	-	-	255	221
- Khanom Electricity Generating Co., Ltd.	-	-	1,794	1,782

**For the three-month and nine-month periods ended 30 September 2004**

	Consolidated		Company	
	Three-month period Baht'000	Nine-month period Baht'000	Three-month period Baht'000	Nine-month period Baht'000
Interest income				
- Khanom Electricity Generating Co., Ltd.	-	-	2,332	7,136
Interest expenses				
- Rayong Electricity Generating Co., Ltd.	-	-	144	595
- Khanom Electricity Generating Co., Ltd.	-	-	1,306	5,112
	-	-	1,450	5,707

16 Related party transactions (Continued)

(f) Investments in debentures issued by a subsidiary and the Company's debentures held by subsidiaries and related interest (Continued)

For the three-month and nine-month periods ended 30 September 2003

	Consolidated		Company	
	Three-month period Baht'000	Nine-month period Baht'000	Three-month period Baht'000	Nine-month period Baht'000
Interest income				
- Khanom Electricity Generating Co., Ltd.	-	-	2,539	7,729
Interest expenses				
- Rayong Electricity Generating Co., Ltd.	-	-	415	1,293
- Khanom Electricity Generating Co., Ltd.	-	-	3,345	11,147
	-	-	3,760	12,440

17 Post balance sheet event

- (a) A subsidiary of Gulf entered into a Power Purchase Agreement with the Electricity Authority of Thailand on 28 October 2004.
- (b) The Extraordinary General Meeting of Gulf on 29 September 2004 approved to increase its share capital to 1,400 million shares with a par value of Baht 10 per share. The new shares were registered with the Ministry of Commerce on 8 October 2004 and issued and called for at Baht 10 per share for 24.30 million shares, totalling Baht 243 million at the same date. The Group purchased all new shares issued in the same proportion as its original investment.