

**ELECTRICITY GENERATING PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND COMPANY  
FINANCIAL STATEMENTS  
(UNAUDITED)**

**30 September 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 September 2007 and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2007 and 2006 and the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 Luengsurawat  
Certified Public Accountant (Thailand) No. 2807  
PricewaterhouseCoopers ABAS Limited

Bangkok  
7 November 2007

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

	Notes	Consolidated		Company	
		Unaudited 30 September 2007 Baht'000	Audited 31 December 2006 Restated Baht'000	Unaudited 30 September 2007 Baht'000	Audited 31 December 2006 Restated Baht'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		3,663,632	5,601,550	1,986,580	4,129,760
Short-term investments					
- Deposits at financial institutions		252,657	129,215	79,248	856
- Marketable securities		501,834	93,948	501,735	68,417
Short-term investments used as collateral	6				
- Deposits at financial institutions		1,759,131	2,273,028	-	-
- Marketable securities		13,000	26,000	-	-
Trade receivables	7	167,803	157,625	-	-
Trade receivable from a related party	15	1,892,508	1,888,195	-	-
Dividend receivables from subsidiaries and a joint venture		1,075,083	-	4,265,736	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	215,181	215,556	267,892	208,219
Spare parts and supplies, net		3,331,986	3,547,390	-	-
Other current assets		331,475	385,092	11,775	14,729
<b>Total current assets</b>		<b>13,204,290</b>	<b>14,417,599</b>	<b>7,952,766</b>	<b>6,844,036</b>
<b>Non-current assets</b>					
Long-term investments in marketable securities and others	15	1,293,193	2,952,042	1,343,464	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	19,806,988	12,378,009	16,831,683	12,088,878
Property, plant and equipment, net	9	18,962,960	20,139,182	683,430	708,357
Goodwill, net	9	214,328	225,222	-	-
Other non-current assets, net		389,801	347,423	261,471	232,503
<b>Total non-current assets</b>		<b>40,668,436</b>	<b>36,042,918</b>	<b>33,275,035</b>	<b>30,624,018</b>
<b>Total assets</b>		<b>53,872,726</b>	<b>50,460,517</b>	<b>41,227,801</b>	<b>37,468,054</b>

For Director .....

The notes to the interim consolidated and company financial statements on pages 12 to 35 are an integral part of these interim financial statements.

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

	Notes	Consolidated		Company	
		Unaudited 30 September 2007 Baht'000	Audited 31 December 2006 Restated Baht'000	Unaudited 30 September 2007 Baht'000	Audited 31 December 2006 Restated Baht'000
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	10	4,350,000	-	4,350,000	-
Trade payables		515,813	599,608	-	-
Trade payable to a related party	15	25,199	100,265	-	-
Amounts due to related parties	15	5,792	4,647,523	21	4,645,003
Current portion of long-term loans from financial institutions, net	11	1,492,570	1,539,928	-	-
Debentures due within one year	12	689,794	652,090	-	-
Other current liabilities					
- Interest payable	15	150,025	49,705	-	-
- Value added tax payables		93,561	157,520	-	-
- Corporate income tax payable		70,333	466,846	-	-
- Others		448,812	380,263	100,481	164,722
<b>Total current liabilities</b>		<b>7,841,899</b>	<b>8,593,748</b>	<b>4,450,502</b>	<b>4,809,725</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net	11	1,459,979	2,364,362	-	-
Debentures, net	12	2,602,081	2,956,729	-	-
Net liabilities in a joint venture	8	826,499	619,761	-	-
Other non-current liabilities		9,170	6,794	1,632	538
<b>Total non-current liabilities</b>		<b>4,897,729</b>	<b>5,947,646</b>	<b>1,632</b>	<b>538</b>
<b>Total liabilities</b>		<b>12,739,628</b>	<b>14,541,394</b>	<b>4,452,134</b>	<b>4,810,263</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
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
<b>Retained earnings</b>					
Appropriated					
- Legal reserve		530,000	530,000	530,000	530,000
Unappropriated		25,383,204	20,199,878	21,544,322	17,404,076
Unrealised gains on investments in marketable securities - available-for-sale		757,999	780,338	788,022	810,392
Translation adjustments		54,965	(13,808)	-	-
<b>Total parent's shareholders' equity</b>		<b>40,639,491</b>	<b>35,409,731</b>	<b>36,775,667</b>	<b>32,657,791</b>
Minority interest		493,607	509,392	-	-
<b>Total shareholders' equity</b>		<b>41,133,098</b>	<b>35,919,123</b>	<b>36,775,667</b>	<b>32,657,791</b>
<b>Total liabilities and shareholders' equity</b>		<b>53,872,726</b>	<b>50,460,517</b>	<b>41,227,801</b>	<b>37,468,054</b>

The notes to the interim consolidated and company financial statements on pages 12 to 35 are an integral part of these interim financial statements.

## Statements of Income

For the three-month periods ended 30 September 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	3,006,067	3,416,868	-	-
Cost of sales and services	15	(1,521,078)	(1,408,580)	-	-
<b>Gross profit</b>		1,484,989	2,008,288	-	-
Administrative expenses		(201,941)	(355,926)	(128,456)	(110,434)
<b>Profit (loss) from sales and services</b>		1,283,048	1,652,362	(128,456)	(110,434)
Other income					
- Interest income	15	29,819	172,518	56,827	69,853
- Dividend income		25,293	-	25,293	-
- Dividend income from subsidiaries and joint ventures		-	-	1,026,583	3,445,518
- Others		137,892	11,951	158,574	40,773
Directors' remuneration		(1,522)	(1,341)	(1,450)	(1,270)
Currency exchange gains (losses)		(4,404)	117,874	-	-
<b>Operating results</b>		1,470,126	1,953,364	1,137,371	3,444,440
Share of loss exceed interest in a joint venture		(62,498)	(94,387)	-	-
Share of profit from interests in joint ventures		1,372,038	136,940	-	-
<b>Profit before interest and tax</b>		2,779,666	1,995,917	1,137,371	3,444,440
Interest expenses		(202,418)	(281,214)	(54,313)	-
Corporate income tax		(183,113)	(265,885)	-	-
<b>Profit before minorities</b>		2,394,135	1,448,818	1,083,058	3,444,440
Profit attributable to minorities		28,937	46,763	-	-
<b>Net profit for the period</b>		2,365,198	1,402,055	1,083,058	3,444,440
<b>Basic earnings per share (Baht)</b>	5				
Net profit for the period		4.49	2.66	2.06	6.54

The notes to the interim consolidated and company financial statements on pages 12 to 35 are an integral part of these interim financial statements.

## Statements of Income

For the nine-month periods ended 30 September 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	8,316,614	10,579,460	-	-
Cost of sales and services	15	(4,259,123)	(4,187,258)	-	-
<b>Gross profit</b>		4,057,491	6,392,202	-	-
Administrative expenses		(643,469)	(661,547)	(413,354)	(260,660)
<b>Profit (loss) from sales and services</b>		3,414,022	5,730,655	(413,354)	(260,660)
Other income					
- Interest income	15	153,304	476,812	200,148	173,864
- Dividend income		133,823	167,417	133,823	167,417
- Dividend income from subsidiaries and joint ventures		-	-	6,283,754	5,469,427
- Others		217,288	59,483	275,956	133,871
Directors' remuneration		(4,875)	(4,463)	(4,662)	(4,127)
Currency exchange gains		98,509	609,260	-	-
<b>Operating results</b>		4,012,071	7,039,164	6,475,665	5,679,792
Share of loss exceed interest in a joint venture	8	(241,947)	(122,012)	-	-
Share of profit from interests in joint ventures	8	4,797,607	55,048	-	-
<b>Profit before interest and tax</b>		8,567,731	6,972,200	6,475,665	5,679,792
Interest expenses		(614,105)	(949,124)	(128,946)	-
Corporate income tax		(456,449)	(834,639)	-	-
<b>Profit before minorities</b>		7,497,177	5,188,437	6,346,719	5,679,792
Profit attributable to minorities		107,377	134,075	-	-
<b>Net profit for the period</b>		7,389,800	5,054,362	6,346,719	5,679,792
<b>Basic earnings per share (Baht)</b>	5				
Net profit for the period		14.04	9.60	12.06	10.80

The notes to the interim consolidated and company financial statements on pages 12 to 35 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 2007 and 2006

Unaudited

Consolidated										
	Notes	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Premium on treasury stock Baht'000	Legal reserve Baht'000	Retained earnings Baht'000	Fair value reserve Baht'000	Translation adjustments Baht'000	Minority interest Baht'000	Total Baht'000
<b>Opening balance as at 1 January 2007</b>										
- As previously reported		5,264,650	8,601,300	47,373	530,000	20,199,878	780,338	(13,808)	1,174,794	36,584,525
- Effect from changes in accounting policies	2	-	-	-	-	-	-	-	(665,402)	(665,402)
- As restated		5,264,650	8,601,300	47,373	530,000	20,199,878	780,338	(13,808)	509,392	35,919,123
Translation adjustments		-	-	-	-	-	-	68,773	-	68,773
Net profit for the period		-	-	-	-	7,389,800	-	-	-	7,389,800
Dividends	14	-	-	-	-	(2,206,474)	-	-	(123,162)	(2,329,636)
Unrealised gains on investments in marketable securities - available-for-sale		-	-	-	-	-	(22,339)	-	-	(22,339)
Minority interest		-	-	-	-	-	-	-	107,377	107,377
<b>Closing balance as at 30 September 2007</b>		<b>5,264,650</b>	<b>8,601,300</b>	<b>47,373</b>	<b>530,000</b>	<b>25,383,204</b>	<b>757,999</b>	<b>54,965</b>	<b>493,607</b>	<b>41,133,098</b>
<b>Opening balance as at 1 January 2006</b>										
- As previously reported		5,264,650	8,601,300	47,373	530,000	16,107,740	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		-	-	-	-	-	-	5,173	-	5,173
Net profit for the period		-	-	-	-	5,054,362	-	-	-	5,054,362
Dividends		-	-	-	-	(1,943,682)	-	-	(121,835)	(2,065,517)
Unrealised gains on investments in marketable securities - available-for-sale		-	-	-	-	-	140,072	-	23	140,095
Minority interest		-	-	-	-	-	-	-	134,075	134,075
<b>Closing balance as at 30 September 2006</b>		<b>5,264,650</b>	<b>8,601,300</b>	<b>47,373</b>	<b>530,000</b>	<b>19,218,420</b>	<b>727,456</b>	<b>(91,931)</b>	<b>474,217</b>	<b>34,771,485</b>

The notes to the interim consolidated and company financial statements on pages 12 to 35 are an integral part of these interim financial statements.

## Statements of Changes in Shareholders' Equity

For the nine-month periods ended 30 September 2007 and 2006

								Company
	Issued and paid-up share capital	Premium on share capital	Premium on treasury stock	Legal reserve	Retained earnings	Fair value reserve	Translation adjustments	Total
Note	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b>Opening balance as at 1 January 2007</b>								
- As previously reported	5,264,650	8,601,300	47,373	530,000	20,199,878	810,392	(13,808)	35,439,785
- Effect from changes in accounting policies	2	-	-	-	(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	-	-	-	-	6,346,719	-	-	6,346,719
Dividends	-	-	-	-	(2,206,473)	-	-	(2,206,473)
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	-	(22,370)	-	(22,370)
<b>Closing balance as at 30 September 2007</b>	<b>5,264,650</b>	<b>8,601,300</b>	<b>47,373</b>	<b>530,000</b>	<b>21,544,322</b>	<b>788,022</b>	<b>-</b>	<b>36,775,667</b>
<b>Opening balance as at 1 January 2006</b>								
- As previously reported	5,264,650	8,601,300	47,373	530,000	16,107,740	625,130	(97,104)	31,079,089
- Effect from changes in accounting policies	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
Net profit for the period	-	-	-	-	5,679,792	-	-	5,679,792
Dividends	-	-	-	-	(1,567,488)	-	-	(1,567,488)
Unrealised gains on investments in marketable securities - available-for-sale	-	-	-	-	-	137,614	-	137,614
<b>Closing balance as at 30 September 2006</b>	<b>5,264,650</b>	<b>8,601,300</b>	<b>47,373</b>	<b>530,000</b>	<b>20,769,588</b>	<b>762,744</b>	<b>-</b>	<b>35,975,655</b>

## Statements of Cash Flows

For the nine-month periods ended 30 September 2007 and 2006

	Note	Consolidated		Company	
		2007	2006	2007	2006
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
<b>Cash flows from operating activities</b>					
Net profit for the period		7,389,800	5,054,362	6,346,719	5,679,792
Adjustments to reconcile net profit to net cash provided by operations:					
- Depreciation and amortisation		1,607,090	1,580,592	35,658	35,276
- Allowance for obsolescence		5,506	376	-	-
- Unrealised currency exchange gains		(75,358)	(262,131)	-	-
- Gains on disposals of equipments		(239)	(1,910)	(289)	(427)
- Gains on disposals of investments		(162,465)	-	(162,465)	-
- Dividends received from other companies		(133,823)	(167,417)	(133,823)	(167,417)
- Dividends received from subsidiaries and joint ventures		-	-	(6,283,754)	(5,469,427)
- Share of loss exceed interest in a joint venture	8	241,947	122,012	-	-
- Shares of profit from interests in joint ventures	8	(4,797,607)	(55,048)	-	-
- Minority interest		107,377	134,075	-	-
Cash flows before changes in operating assets and liabilities		4,182,228	6,404,911	(197,954)	77,797
Changes in operating assets and liabilities: (excluding the effects of acquisition and disposal)					
- Deposits at financial institutions used as collateral		511,176	162,385	-	-
- Trade receivables and trade receivable from a related party		(14,491)	(462,255)	-	-
- Amounts due from related parties		(105,724)	(74,979)	(59,673)	(82,065)
- Spare parts and supplies		(42,005)	(102,528)	-	-
- Other current and non-current assets		18,939	(201,973)	(26,044)	(54,378)
- Trade payables and trade payable to a related party		(48,046)	195,940	-	-
- Amounts due to related parties		54,241	17,530	18	(2,047)
- Other current and non-current liabilities		(425,519)	179,341	(65,642)	(17,110)
Net cash receipts (payments) from operating activities		4,130,799	6,118,372	(349,295)	(77,803)

## Statements of Cash Flows

For the nine-month periods ended 30 September 2007 and 2006

	Consolidated		Company	
	2007	2006	2007	2006
		Restated		Restated
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flows from investing activities</b>				
Cash paid for increases in share capital of joint ventures	(9,387,805)	(1,059,780)	(9,387,805)	(1,059,780)
Net cash payments from deposits at financial institutions	(103,442)	(1,140,645)	(78,392)	(1,130,010)
Net cash receipts (payments) from short-term investments	853,652	(36,211)	877,618	(24,167)
Net cash receipts from long-term investments	517,438	14,865	491,568	14,865
Net purchases of equipments	(148,715)	(95,268)	(10,412)	(12,284)
Proceed from loans to related parties	100,000	23,830	506,380	23,830
Dividends received from subsidiaries and joint ventures	1,069,914	-	3,527,313	4,126,800
Dividends received from other companies	133,823	167,417	133,823	167,417
Others	(12,690)	-	-	-
Net cash receipts (payments) from investing activities	<u>(6,977,825)</u>	<u>(2,125,792)</u>	<u>(3,939,907)</u>	<u>2,106,671</u>
<b>Cash flows from financing activities</b>				
Payments on finance lease liabilities	(865)	(472)	-	-
Proceeds from short-term loans from financial institutions	4,350,000	-	4,350,000	-
Payments on long-term loans from financial institutions and debentures	(1,180,540)	(4,908,126)	-	-
Dividends paid to shareholders of parent company and shareholders of minorities of subsidiaries	<u>(2,259,487)</u>	<u>(1,993,355)</u>	<u>(2,203,978)</u>	<u>(1,939,355)</u>
Net cash receipts (payments) from financing activities	<u>909,108</u>	<u>(6,901,953)</u>	<u>2,146,022</u>	<u>(1,939,355)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>				
	(1,937,918)	(2,909,373)	(2,143,180)	89,513
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><u>3,663,632</u></u>	<u><u>4,932,771</u></u>	<u><u>1,986,580</u></u>	<u><u>2,717,501</u></u>

## Statements of Cash Flows

For the nine-month periods ended 30 September 2007 and 2006

	Consolidated		Company	
	2007	2006	2007	2006
		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 financial institutions	1,022,123	170,116	71,312	120,211
- Short-term investments - maturity within three months	2,641,509	4,762,655	1,915,268	2,597,290
	<u>3,663,632</u>	<u>4,932,771</u>	<u>1,986,580</u>	<u>2,717,501</u>
<b>Supplementary information for cash flows:</b>				
- Interest paid	611,304	820,655	128,946	-
- Tax paid	652,868	591,966	-	-
<b>Non-cash transactions</b>				
- Reclassification of utilised capital spare parts to property, plant and equipment	407,474	608,860	-	-
- Reclassification of unutilised capital spare parts from property, plant and equipment	155,571	388,025	-	-
- Increase in property, plant and equipment by other payables	8,948	102	-	-
- Reclassification of advance payment to property, plant and equipment	-	6,200	-	-
- Fixed assets from financing leases obligation	2,693	2,500	-	-

## **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 November 2007.

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

During the nine-month period ended 30 September 2007, the Federation of Accounting Professions (FAP) announced the amendments to Thai Accounting Standards (TAS) as follows:

TAS 25	"Cash flow statement"
TAS 33	"Borrowing costs"
TAS 35	"Presentation of financial statements"
TAS 39	"Accounting policies, changes in accounting estimates and errors"
TAS 41	"Interim financial reporting"
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.

The revised TAS 25 "Cash flow statement", TAS 33 "Borrowing costs", TAS 35 "Presentation of financial statements", TAS 39 "Accounting policies, changes in accounting estimates and errors", TAS 41 "Interim financial reporting" and TAS 49 "Construction contracts" will be effective for the accounting periods beginning on or after 1 January 2008. However, the Company's management assessed that the revised standards shall not impact significantly to the financial statements being presented.

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**2 Changes in accounting policies**

**2.1 Accounting standards 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 and interests in joint ventures presented in the company financial statements. Under the cost method, income from investments 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 statements of income for the three-month and nine-month periods ended 30 September 2006 are as follows:

	<u>Baht'000</u>
<b>Balance sheet as at 31 December 2006</b>	
Decrease in investments in subsidiaries	(5,036,005)
Increase in interests in joint ventures, net	722,806
Decrease in net liabilities in a joint venture	(619,761)
Decrease in other liabilities	(911,444)
Increase in translation adjustments	13,808
Decrease in retained earnings as at 31 December 2006	(2,795,802)

**Statements of income for the three-month and nine-month periods ended 30 September 2006**

	<u>Three-month period Baht'000</u>	<u>Nine-month period Baht'000</u>
Increase in net profit	2,042,385	625,430
Increase in basic earnings per share (Baht)	3.88	1.19

**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 statements of income for the three-month and nine-month periods ended 30 September 2006 are as follows:

	<b>Baht'000</b>
	<b><u>Increase (decrease)</u></b>
<b>Consolidated balance sheet as at 31 December 2006</b>	
Increase in current portion of long-term loans to related parties	50,000
Decrease in other current assets	(4,099,662)
Increase in interests in joint ventures, net	5,294,894
Decrease in property, plant and equipment, net	(21,107,998)
Decrease in goodwill, net	(789,610)
Decrease in other non-current assets	(773,337)
Decrease in other current liabilities	(1,813,152)
Decrease in long-term loans from financial institutions, net	(14,953,920)
Decrease in debentures, net	(2,728,332)
Increase in net liabilities in a joint venture	619,761
Decrease in other non-current liabilities	(1,884,669)
Decrease in minority interest	(665,402)

**Consolidated statements of income for the three-month and nine-month periods ended 30 September 2006**

	<b>Three-month period</b>	<b>Nine-month period</b>
	<b><u>Baht'000</u></b>	<b><u>Baht'000</u></b>
Decrease in sales and service income	(1,072,354)	(3,127,362)
Decrease in cost of sales and services	(822,326)	(2,342,214)
Decrease in other income	(37,665)	(77,226)
Decrease in administrative expenses	(141,656)	(417,098)
Increase (decrease) in share of profit from interests in joint ventures	132,577	(15,127)
Increase in share of loss exceed interest in a joint venture	94,387	122,012

**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 5.74% (2006: 13.86%).

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**4 Segment information**

**Financial information by geographical segments**

	Thailand	The Lao People's Democratic Republic	The Philippines	Consolidation eliminations	Consolidated
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b>For the three-month period ended 30 September 2007</b>					
Sales and service income	3,047,207	-	-	(41,140)	3,006,067
Share of loss exceed interest in a joint venture	-	(62,498)	-	-	(62,498)
Share of profit	1,371,740	-	298	-	1,372,038
Segment result	2,397,416	-	-	(32,218)	2,365,198
<b>For the three-month period ended 30 September 2006 (restated)</b>					
Sales and service income	3,448,032	-	-	(31,164)	3,416,868
Share of loss exceed interest in a joint venture	-	(94,387)	-	-	(94,387)
Share of profit (loss)	128,052	-	8,888	-	136,940
Segment result	1,449,639	-	-	(47,584)	1,402,055
<b>For the nine-month period ended 30 September 2007</b>					
Sales and service income	8,417,774	-	-	(101,160)	8,316,614
Share of loss exceed interest in a joint venture	-	(241,947)	-	-	(241,947)
Share of profit	4,763,645	-	33,962	-	4,797,607
Segment result	7,504,234	-	-	(114,434)	7,389,800
<b>For the nine-month period ended 30 September 2006(restated)</b>					
Sales and service income	10,666,161	-	-	(86,701)	10,579,460
Share of loss exceed interest in a joint venture	-	(122,012)	-	-	(122,012)
Share of profit (loss)	(28,912)	-	83,960	-	55,048
Segment result	5,192,495	-	-	(138,133)	5,054,362

**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 of deposits at financial institutions and marketable securities.

Deposits at financial institutions used as collateral are mainly of Khanom Electricity Generating Company Limited, and EGCO Cogeneration Company Limited (formerly named TLP Cogeneration Co., Ltd. as discussed in Note 8.1) and comprise of 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 September 2007, these cash reserves amounted to Baht 1,006 million (31 December 2006: Baht 295 million). The remaining balance of short-term and long-term investments used as collateral of Baht 767 million (31 December 2006: Baht 2,005 million) represented

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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 September 2007 and 31 December 2006 can be analysed as follows:

As at	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2007</b>	<b>31 December 2006</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
	<b>Baht'000</b>	<b>Restated Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Not over due	145,595	121,085	-	-
Overdue below 3 months	20,121	28,227	-	-
Overdue 3 - 6 months	53	5,625	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue over 12 months	2,034	2,688	-	-
Total trade receivables	<u>167,803</u>	<u>157,625</u>	<u>-</u>	<u>-</u>

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

As at	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2007</b>	<b>31 December 2006</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
	<b>Baht'000</b>	<b>Restated Baht'000</b>	<b>Baht'000</b>	<b>Restated Baht'000</b>
Investments in subsidiaries	-	-	12,021,167	12,021,167
Interests in joint ventures	20,201,394	12,772,415	17,226,089	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>19,806,988</u>	<u>12,378,009</u>	<u>16,831,683</u>	<u>12,088,878</u>
Investments in subsidiaries and interests in joint ventures, net	<u>19,806,988</u>	<u>12,378,009</u>	<u>28,852,850</u>	<u>24,110,045</u>

The movements of investments in subsidiaries 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 2007</b>		
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	4,797,607	-
Increase in share capital of joint ventures	4,742,805	4,742,805
Dividend received from joint ventures	(2,144,997)	-
Translation adjustments	33,564	-
Closing net book value	<u>19,806,988</u>	<u>28,852,850</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:

	Business	Portion of Investment (%) (including indirect holding)	Company	
			Cost Method Baht'000	Dividend Baht'000
<b>30 September 2007</b>				
<b><u>Subsidiaries incorporated in Thailand</u></b>				
Rayong Electricity Generating Co., Ltd.	Electricity generating	99.99	4,702,200	1,911,755
Khanom Electricity Generating Co., Ltd.	Electricity generating	99.99	4,850,000	1,788,313
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	70,146
- 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	141,134
- EGCO Cogeneration Co., Ltd. (formerly named "TLP Cogeneration Co., Ltd)	Electricity generating	80.00	424,000	89,407
<b><u>Subsidiary incorporated in British Virgin Islands</u></b>				
EGCO International B.V.I and its joint venture	Investing in power energy projects	99.99	1,002,467	-
- Conal Holdings Corporation (Conal) (incorporated in the Philippines)	Investing in power energy business	40.00		
Total investments in subsidiaries			12,021,167	4,223,172

As at 30 September 2007, dividend receivable from subsidiaries amounting to Baht 3,191 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.

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 wholly-owned subsidiary of the Company, and transferring its total assets and liabilities to the Company after the completion of liquidation process.

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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)

		<b>Company</b>		
		<b>31 December 2006</b>		
		<b>Restated</b>		
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Dividend Baht'000</b>	
	(including indirect holding)			
<b><u>Subsidiaries incorporated in Thailand</u></b>				
Rayong Electricity Generating Co., Ltd.	Electricity generating	99.99	4,702,200	2,743,716
Khanom Electricity Generating Co., Ltd.	Electricity generating	99.99	4,850,000	2,343,411
EGCO Engineering and Service Co., Ltd. and its subsidiaries and joint venture	Power plant operation and maintenance services	99.99	400,000	-
- Subsidiaries				
- Agro Energy Co., Ltd.	Trading / delivery services of natural scrap	99.99		
- Egcom Tara Co., Ltd.	Tap water business	70.00		
- Joint venture				
- Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00		
EGCO Green Energy Co., Ltd. and its subsidiary	Investing in biomass fueled electricity generating plant	74.00	129,500	88,003
- Roi-Et Green Co., Ltd.	Develop, design, construct and test operation of husk fueled electricity generating plant	95.00		
Thai LNG Power Corporation Limited and its subsidiary	Investing in power energy projects	100.00	513,000	145,712
- TLP Cogeneration Co., Ltd.	Electricity generating	80.00	424,000	148,585
<b><u>Subsidiary incorporated in British Virgin Islands</u></b>				
EGCO International B.V.I and its joint venture	Investing in power energy projects	99.99	1,002,467	-
- Conal Holdings Corporation (Conal) (incorporated in the Philippines)	Investing in power energy business	40.00		
Total investments in subsidiaries			<u>12,021,167</u>	<u>5,469,427</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:

		<b>Consolidated</b>			
		<b>30 September 2007</b>			
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	<b>Dividend Baht'000</b>	
		(including indirect holding)			
<b><u>Joint ventures incorporated in Thailand</u></b>					
Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00	1,000	14,424	-
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	749,560	60,000
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	6,221,680	7,168,040	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	9,902,800	11,539,279	2,000,582
<b><u>Joint venture incorporated in the Philippines</u></b>					
Conal Holdings Corporation (Conal) and its subsidiaries	Investing in power energy business	40.00	1,002,467	730,091	84,415
			17,476,307	20,201,394	2,144,997
<b><u>Less</u> Provision for impairment</b>			(394,406)	(394,406)	-
Total interests in joint ventures, net			<u>17,081,901</u>	<u>19,806,988</u>	<u>2,144,997</u>

As at 30 September 2007, according to the conditions under the loan agreement of 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)

		<b>Consolidated</b>			
		<b>31 December 2006</b>			
		<b>Restated</b>			
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	<b>Dividend Baht'000</b>	
	(including indirect holding)				
<b><u>Joint ventures incorporated in Thailand</u></b>					
Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00	1,000	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	-
<b><u>Joint venture incorporated in the Philippines</u></b>					
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
<u>Less</u> Provision for impairment			(394,406)	(394,406)	-
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)

		<b>Company</b>		
		<b>30 September 2007</b>		
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method</b>	<b>Dividend</b>	
	(including indirect holding)	<b>Baht'000</b>	<b>Baht'000</b>	
<b><u>Joint ventures incorporated in Thailand</u></b>				
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	60,000
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	9,902,800	2,000,582
<b><u>Joint venture incorporated in the Lao People's Democratic Republic</u></b>				
Nam Theun 2 Power Company Limited	Electricity generating (construction phase)	25.00	753,249	-
			17,226,089	2,060,582
<u>Less</u> Provision for impairment			(394,406)	-
Total interests in joint ventures, net			<u>16,831,683</u>	<u>2,060,582</u>

As at 30 September 2007, dividend receivable from a joint venture amounting to Baht 1,075 million was recognised in the interim company financial statements.

**Principal movements in interests in joint ventures during the nine-month period ended 30 September 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.
- (d) In June 2007, BLCP called for additional paid-up share capital at Baht 15 each from 100 million shares, totalling Baht 1,500 million. The Group paid for addition paid-up shares in July 2007 in the same proportion as its original investment, totalling Baht 750 million.
- (e) In June 2007, BLCP issued additional ordinary shares of 5.16 million shares at par value of Baht 100 per share. The Group paid for all new shares issued in July 2007 in the same proportion as its original investment, totalling Baht 258 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)			
<b><u>Joint ventures incorporated in Thailand</u></b>				
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	-
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	4,736,675	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	6,645,000	-
<b><u>Joint venture incorporated in the Lao People's Democratic Republic</u></b>				
Nam Theun 2 Power Company Limited	Electricity generating (construction phase)	25.00	753,249	-
			12,483,284	-
<u>Less</u> Provision for impairment			(394,406)	-
Total interests in joint ventures, net			<u>12,088,878</u>	<u>-</u>

8.3 Net liabilities in a joint venture

The movements in net liabilities arising from an interest in a joint venture for the nine-month period ended 30 September 2007 are as follows:

	<u>Consolidated 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	(241,947)
Translation adjustments	35,209
Closing net book amount	<u>(826,499)</u>

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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 balances of net liabilities in a joint venture incorporated in the Lao People's Democratic Republic are as follows:

		<b>Consolidated</b>			
		<b>30 September 2007</b>			
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	<b>Dividend Baht'000</b>	
NamTheun 2 Power Co., Ltd.	Electricity generating (construction phase)	25.00	753,249	(826,499)	-

  

		<b>Consolidated</b>			
		<b>31 December 2006</b>			
		<b>Restated</b>			
<b>Business</b>	<b>Portion of Investment (%)</b>	<b>Cost Method Baht'000</b>	<b>Equity Method Baht'000</b>	<b>Dividend Baht'000</b>	
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 September 2007 and 31 December 2006 and on the consolidated statements of income for the three-month and nine-month periods ended 30 September 2007 and 2006 if the Group accounted for interests in joint ventures by using the proportionate consolidation as follows:

As at	<b>Consolidated</b>	
	<b>30 September 2007 Baht'000</b>	<b>31 December 2006 Baht'000</b>
<b>Consolidated balance sheets</b>		
Current assets	24,476,736	18,504,323
Non-current assets	71,880,084	53,381,908
Total assets	<u>96,356,820</u>	<u>71,886,231</u>
Current liabilities	14,357,653	10,936,715
Non-current liabilities	40,201,193	24,364,992
Total liabilities	54,558,846	35,301,707
Shareholders' equity	41,797,974	36,584,524
Total liabilities and shareholders' equity	<u>96,356,820</u>	<u>71,886,231</u>
<b>Consolidated statements of income</b>		
<b>For the three-month periods ended 30 September</b>		
	<b>2007</b>	<b>2006</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Revenues	8,514,656	4,879,875
Expenses	(6,149,458)	(3,477,820)
Net profit	<u>2,365,198</u>	<u>1,402,055</u>
<b>For the nine-month periods ended 30 September</b>		
	<b>2007</b>	<b>2006</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Revenues	23,753,679	15,187,461
Expenses	(16,363,879)	(10,133,099)
Net profit	<u>7,389,800</u>	<u>5,054,362</u>

**9 Capital expenditure and commitments**

	<b>Consolidated</b>	<b>Company</b>
	<b>Property, plant and equipment Baht'000</b>	<b>Property, plant and equipment Baht'000</b>
	<b>Goodwill Baht'000</b>	
<b>For the nine-month period ended</b>		
<b>30 September 2007</b>		
Opening net book value		
- As previously reported	41,247,180	1,014,832
- Effect from change in an accounting policy (Note 2.2)	(21,107,998)	(789,610)
- As restated	20,139,182	225,222
Additions	164,686	-
Capitalisation of capital spare parts	407,474	-
Transfer capital spare parts out	(155,571)	-
Disposals, net	(4,092)	(675)
Depreciation and amortisation	(1,588,719)	(10,894)
Closing net book value	<u>18,962,960</u>	<u>214,328</u>
		<u>683,430</u>

As at 30 September 2007, land, buildings and equipment of subsidiaries amounting to Baht 10,629 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). During the second quarter of 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 September 2007, the Company and its 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 nine-month period ended 30 September 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	<b>Consolidated</b>	
	<b>30 September 2007</b>	<b>31 December 2006</b>
	<b>Baht'000</b>	<b>Restated Baht'000</b>
<b>Current portion of long-term loans, net</b>		
US Dollars	1,387,472	1,437,852
Japanese Yen	30,231	29,591
Thai Baht	78,622	76,240
<u>Less</u> Deferred financing fee	<u>(3,755)</u>	<u>(3,755)</u>
	<u>1,492,570</u>	<u>1,539,928</u>
<b>Long-term loans, net</b>		
US Dollars	615,115	1,408,326
Japanese Yen	231,571	266,930
Thai Baht	636,127	714,750
<u>Less</u> Deferred financing fee, net	<u>(22,834)</u>	<u>(25,644)</u>
	<u>1,459,979</u>	<u>2,364,362</u>
Total long-term loans, net	<u><u>2,952,549</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:

	<b>Consolidated</b>
	<b>Baht'000</b>
<b>For the nine-month period ended 30 September 2007</b>	
Opening net book amount	
- As previously reported	18,858,210
- Effect from change in an accounting policy (Note 2.2)	<u>(14,953,920)</u>
- As restated	3,904,290
Repayments of long-term loans	(863,596)
Amortisation of deferred financing fee	2,808
Unrealised exchange gains	<u>(90,953)</u>
Closing net book amount	<u><u>2,952,549</u></u>

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**12 Debentures**

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

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

The movements of debentures can be analysed as follows:

	<b>Consolidated</b>
	<b>Baht'000</b>
<b>For the nine-month period ended 30 September 2007</b>	
Opening amount	
- As previously reported	6,337,151
- Effect from change in an accounting policy (Note 2.2)	<u>(2,728,332)</u>
- As restated	3,608,819
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 from proceeds of sales of electricity (as described in Note 6) and to pledge the relevant agreements as collateral (as described in Notes 9 and 11).

### **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 resulting from a capital increase on 6 November 2006, the Company provided the advance payment to CLP Power (BLCP) Limited for this equity injection. 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	<u>3,842,021</u>
Fair value of net assets	3,034,061
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 operating results for the second half of the year ended 2006 for 526,465,000 shares of Baht 2 per share, totalling Baht 1,053 million. These dividends were paid to shareholders in May 2007.

The Board of Directors' meeting on 25 August 2007 approved to pay interim dividends in respect of the operating results for the six-month period ended 30 June 2007 for 526,465,000 shares at Baht 2.25 per share, totalling Baht 1,185 million. These dividends were paid to shareholders in September 2007. In addition, the Company reversed long-outstanding dividend payable, payable to foreign investors who were unable to exercise rights to receive such dividends, amounting to approximately Baht 32 million during the nine-month period ended 30 September 2007.

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**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 nine-month periods ended 30 September 2007**

	<u>Consolidated</u>		<u>Company</u>	
	<u>Three-month period</u>	<u>Nine-month period</u>	<u>Three-month period</u>	<u>Nine-month period</u>
	<u>Baht’000</u>	<u>Baht’000</u>	<u>Baht’000</u>	<u>Baht’000</u>
Sales of electricity				
- Major shareholder	2,485,138	6,983,304	-	-

**For the three-month and nine-month periods ended 30 September 2006**

	<u>Consolidated</u>		<u>Company</u>	
	<u>Three-month period</u>	<u>Nine-month period</u>	<u>Three-month period</u>	<u>Nine-month period</u>
	<u>Restated</u>	<u>Restated</u>	<u>Baht’000</u>	<u>Baht’000</u>
	<u>Baht’000</u>	<u>Baht’000</u>	<u>Baht’000</u>	<u>Baht’000</u>
Sales of electricity				
- Major shareholder	3,036,375	9,278,251	-	-

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

The sales of electricity for the three-month and nine-month periods ended 30 September 2007 included the compensation from exchange rate effects approximately Baht 97 million and Baht 312 million, respectively (for the three-month and nine-month periods ended 30 September 2006 amounted to Baht 202 million and Baht 652 million, respectively).

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**15 Related party transactions (continued)**

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

**For the three-month and nine-month periods ended 30 September 2007**

	<u>Consolidated</u>		<u>Company</u>	
	<u>Three-month period Baht'000</u>	<u>Nine-month period Baht'000</u>	<u>Three-month period Baht'000</u>	<u>Nine-month period Baht'000</u>
Service income				
- Major shareholder	18,070	40,777	-	-
Major maintenance expenses				
- Major shareholder	47,025	155,538	-	-

**For the three-month and nine-month periods ended 30 September 2006**

	<u>Consolidated</u>		<u>Company</u>	
	<u>Three-month period Restated Baht'000</u>	<u>Nine-month period Restated Baht'000</u>	<u>Three-month period Baht'000</u>	<u>Nine-month period Baht'000</u>
Service income				
- Major shareholder	16,314	41,715	-	-
Major maintenance expenses				
- Major shareholder	116,368	267,753	-	-

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 September 2007	31 December 2006	30 September 2007	31 December 2006
	Baht'000	Restated Baht'000	Baht'000	Baht'000
Trade receivable from a related party - Major shareholder	1,892,508	1,888,195	-	-
Trade receivable from a related party as at 30 September 2007 and 31 December 2006 can be analysed as follow:				
Not over due	1,859,455	1,864,241	-	-
Overdue below 3 months	26,975	11,373	-	-
Overdue 3 - 6 months	-	6,436	-	-
Overdue 6 - 12 months	-	1,419	-	-
Overdue over 12 months	6,078	4,726	-	-
	<u>1,892,508</u>	<u>1,888,195</u>	<u>-</u>	<u>-</u>
Trade payable to a related party - Major shareholder	25,199	100,265	-	-

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

As at	Consolidated		Company	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	Baht'000	Restated Baht'000	Baht'000	Baht'000
<u>Amounts due from related parties</u>				
- Major shareholder	3,415	3,415	-	-
- Subsidiaries	402	455	66,915	9,544
- Joint ventures	202,615	211,686	200,977	198,675
- Other related parties	8,749	-	-	-
	<u>215,181</u>	<u>215,556</u>	<u>267,892</u>	<u>208,219</u>
<u>Amounts due to related parties</u>				
- Subsidiaries	-	-	21	3
- Other related parties	5,792	4,647,523	-	4,645,000
	<u>5,792</u>	<u>4,647,523</u>	<u>21</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 September 2007	31 December 2006 Restated	30 September 2007	31 December 2006
	Baht'000	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 nine-month periods ended 30 September	Consolidated	Company
	2007	2007
	Baht'000	Baht'000
<b>Subsidiaries</b>		
Beginning balance	-	3,380,000
Loans advanced during the period	-	-
Loan repayments received during the period	-	(406,380)
Ending balance	-	2,973,620
<b>Joint venture</b>		
Beginning balance		
- As previously reported	50,000	100,000
- Effect from change in an accounting policy (Note 2.2)	50,000	-
- As restated	100,000	100,000
Loans advanced during the period	-	-
Loan repayments received during the period	(100,000)	(100,000)
Ending balance	-	-

15 Related party transactions (continued)

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

As at	Consolidated		Company	
	30 September 2007 Baht'000	31 December 2006 Baht'000	30 September 2007 Baht'000	31 December 2006 Baht'000
Investment in debentures				
- Subsidiary	-	-	32,928	36,098
Interest receivable				
- Subsidiary	-	-	1,837	334

For the three-month and nine-month periods ended 30 September 2007

	Consolidated		Company	
	Three-month period Baht'000	Nine-month period Baht'000	Three-month period Baht'000	Nine-month period Baht'000
Interest income				
- Subsidiary	-	-	1,550	4,882

For the three-month and nine-month periods ended 30 September 2006

	Consolidated		Company	
	Three-month period Baht'000	Nine-month period Baht'000	Three-month period Baht'000	Nine-month period Baht'000
Interest income				
- Subsidiary	-	-	1,831	5,707

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

## **16 Commitments and contingent liabilities**

For the nine-month period ended 30 September 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 September 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 September 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 7,540 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 which is equivalent to Baht 3,211 million. The Company paid for the additional paid-up share capital of Baht 2,250 million and Baht 1,008 million in March and July 2007, respectively (as discussed in Note 8.2 (c), (d), (e)).
  - As at 30 September 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 September 2007, a bank provided a guarantee 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 ("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. Gulf was 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 the second quarter of 2007. Compensating income from the contractor and expenses 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 nine-month period ended 30 September 2007.

The Company recognised the net result of these transactions amounting to Baht 286 million which were presented as share of profit from interests in joint ventures in the consolidated statement of income for the nine-month period ended 30 September 2007.

**18 Post balance sheet events**

**Post balance sheet events of the Company**

- (a) Thai LNG Power Corporation Limited (TLPC), a wholly-owned subsidiary of the Company, registered for the dissolution with the Ministry of Commerce on 1 October 2007 and will transfer its total assets and liabilities to the Company after the completion of liquidation process. 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 2007.
- (b) On 4 October 2007, a joint venture Gulf issued additional ordinary shares of 169 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 845 million.
- (c) On 19 October 2007, the Company had commitments under bank guarantees issued on behalf of the Company to The Ministry of Energy in support of its proposal for Independent Power Producer (IPP) Bidding, totalling Baht 1,400 million.