

ELECTRICITY GENERATING PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 2008

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 2008 and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2008 and 2007 and the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2008 and 2007 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 2007 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 11 February 2008. The balance sheet as at 31 December 2007, presented for comparative purposes, is part of the financial statements which I have audited and issued a report thereon as stated above and I have not performed any other auditing procedures subsequent to the date of that report.

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

10 November 2008

Electricity Generating Public Company Limited

Balance Sheets

As at 30 September 2008 and 31 December 2007

	Notes	Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2008	2007	2008	2007
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents		5,259,972	3,750,425	3,546,422	2,444,066
Short-term investments					
- Deposits at financial institutions		261,429	226,015	200,910	890
- Marketable securities	15	60,006	32,240	67,727	39,539
Deposits at financial institutions used as collateral	7	1,138,411	914,022	-	-
Trade receivables, net	8	137,696	147,963	-	-
Trade receivable from a related party	15	1,615,779	1,621,832	-	-
Dividend receivables from subsidiaries and a joint venture	9	3,376,096	2,074,500	7,508,259	5,646,204
Current portion of long-term loan to a related party	15	-	-	893,620	866,840
Amounts due from related parties	15	65,249	62,859	51,267	10,099
Spare parts and supplies, net		3,066,140	3,328,405	-	-
Other current assets		419,221	310,678	21,476	16,341
Total current assets		15,399,999	12,468,939	12,289,681	9,023,979
Non-current assets					
Long-term investments in marketable securities and others	15	1,184,996	1,484,001	1,219,627	1,525,941
Deposits at financial institutions used as collateral	7	1,166	1,166	-	-
Amount due from a related party due over one year	15	210,756	196,169	210,756	196,169
Long-term loans to related parties, net	15	-	-	1,240,200	1,700,400
Investments in subsidiaries	9	-	-	11,976,061	11,976,061
Interests in joint ventures, net	9	20,184,071	20,233,045	17,879,407	17,677,178
Property, plant and equipment, net	10	17,493,004	18,637,631	671,723	690,206
Goodwill, net	10	199,803	210,697	-	-
Other non-current assets		372,864	368,692	246,071	248,164
Total non-current assets		39,646,660	41,131,401	33,443,845	34,014,119
Total assets		55,046,659	53,600,340	45,733,526	43,038,098

For Director

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited

Balance Sheets

As at 30 September 2008 and 31 December 2007

	Notes	Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2008	2007	2008	2007
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and shareholders' equity					
Current Liabilities					
Trade payables		259,934	487,900	-	-
Trade payable to a related party	15	73,814	98,081	-	-
Amounts due to related parties	15	3,043	3,003	7	39
Current portion of long-term loans from financial institutions, net	11	188,352	829,120	-	-
Debentures due within one year	12	771,859	729,675	-	-
Other current liabilities					
- Interest payables		90,945	36,452	44,222	1,953
- Value added tax payable		108,797	113,153	-	-
- Corporate income tax payable		154,937	151,623	-	-
- Others		505,424	508,651	137,459	164,136
Total current liabilities		2,157,105	2,957,658	181,688	166,128
Non-current liabilities					
Long-term loans from financial institutions, net	11	5,291,001	5,451,827	4,000,000	4,000,000
Debentures, net	12	1,830,113	2,226,937	-	-
Retirement benefit obligations	13	147,857	136,238	38,421	34,545
Net liabilities in a joint venture	9.3	376,036	823,136	-	-
Other non-current liabilities		10,887	8,846	4,680	1,631
Total non-current liabilities		7,655,894	8,646,984	4,043,101	4,036,176
Total liabilities		9,812,999	11,604,642	4,224,789	4,202,304

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

Electricity Generating Public Company Limited

Balance Sheets

As at 30 September 2008 and 31 December 2007

	Consolidated		Company	
	Unaudited 30 September 2008 Baht'000	Audited 31 December 2007 Baht'000	Unaudited 30 September 2008 Baht'000	Audited 31 December 2007 Baht'000
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Authorised share capital	5,300,000	5,300,000	5,300,000	5,300,000
Issued and paid-up share capital	5,264,650	5,264,650	5,264,650	5,264,650
Premium on share capital	8,601,300	8,601,300	8,601,300	8,601,300
Premium on treasury stock	47,373	47,373	47,373	47,373
Retained earnings				
Appropriated				
- Legal reserve	530,000	530,000	530,000	530,000
Unappropriated	29,939,326	26,274,327	26,729,474	23,752,782
Unrealised gains on investments in marketable securities - available-for-sale				
Translation adjustments	313,874	614,264	335,940	639,689
Translation adjustments	11,251	142,961	-	-
Total parent's shareholders' equity	44,707,774	41,474,875	41,508,737	38,835,794
Minority interests	525,886	520,823	-	-
Total shareholders' equity	45,233,660	41,995,698	41,508,737	38,835,794
Total liabilities and shareholders' equity	55,046,659	53,600,340	45,733,526	43,038,098

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

Statements of Income

For the three-month periods ended 30 September 2008 and 2007

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Sales and service income	15	2,650,788	3,006,067	-	-
Cost of sales and services	15	(1,537,964)	(1,522,856)	-	-
Gross profit		1,112,824	1,483,211	-	-
Administrative expenses		(206,904)	(203,359)	(109,941)	(129,419)
Profit (loss) from sales and services		905,920	1,279,852	(109,941)	(129,419)
Other income					
- Interest income	15	45,661	29,819	63,306	56,827
- Dividend income		-	25,293	-	25,293
- Dividend income from subsidiaries and joint ventures		-	-	1,545,508	1,026,583
- Others		16,527	137,892	33,241	158,574
Directors' remuneration		(1,630)	(1,522)	(1,540)	(1,450)
Currency exchange losses		(20,880)	(4,404)	-	-
Operating results		945,598	1,466,930	1,530,574	1,136,408
Share of loss exceed interest in a joint venture		-	(62,992)	-	-
Shares of profit from interests in joint ventures		1,394,166	1,370,213	-	-
Profit before interest and tax		2,339,764	2,774,151	1,530,574	1,136,408
Interest expenses		(141,292)	(204,133)	(43,290)	(54,741)
Profit before tax		2,198,472	2,570,018	1,487,284	1,081,667
Corporate income tax		(165,482)	(183,113)	-	-
Net profit for the period		2,032,990	2,386,905	1,487,284	1,081,667
Attributable to					
Equity holders of the parent		2,011,361	2,357,975	1,487,284	1,081,667
Minority interest		21,629	28,930	-	-
		2,032,990	2,386,905	1,487,284	1,081,667
Earnings per share for profit attributable to the equity holders of the Parent (Baht)	6				
Earnings per share		3.82	4.48	2.83	2.05

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

Statements of Income

For the nine-month periods ended 30 September 2008 and 2007

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Sales and service income	15	7,973,096	8,316,614	-	-
Cost of sales and services	15	(4,382,698)	(4,264,457)	-	-
Gross profit		3,590,398	4,052,157	-	-
Administrative expenses		(631,319)	(647,725)	(329,069)	(416,243)
Profit (loss) from sales and services		2,959,079	3,404,432	(329,069)	(416,243)
Other income					
- Interest income	15	129,011	153,304	186,148	200,148
- Dividend income		77,861	133,823	77,861	133,823
- Dividend income from subsidiaries and joint ventures		-	-	5,242,340	6,283,754
- Others		57,811	217,288	540,775	275,956
Directors' remuneration		(5,096)	(4,875)	(4,850)	(4,662)
Currency exchange gains		10,556	98,509	-	-
Operating results		3,229,222	4,002,481	5,713,205	6,472,776
Share of loss exceed interest in a joint venture	9.3	(97,704)	(243,429)	-	-
Shares of profit in interests in joint ventures	9	4,211,851	4,792,617	-	-
Profit before interest and tax		7,343,369	8,551,669	5,713,205	6,472,776
Interest expenses		(468,359)	(619,252)	(133,025)	(130,229)
Profit before tax		6,875,010	7,932,417	5,580,180	6,342,547
Corporate income tax		(521,320)	(456,449)	-	-
Net profit for the period		6,353,690	7,475,968	5,580,180	6,342,547
Attributable to					
Equity holders of the parent		6,268,487	7,368,613	5,580,180	6,342,547
Minority interest		85,203	107,355	-	-
		6,353,690	7,475,968	5,580,180	6,342,547
Earnings per share for profit attributable to the equity holders of the Parent (Baht)	6				
Earnings per share		11.91	14.00	10.60	12.04

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

Statements of Changes in Shareholders' Equity

For the nine-month periods ended 30 September 2008 and 2007

Consolidated									
	Issued and paid-up share capital	Premium on share capital	Premium on treasury stock	Legal reserve	Retained earnings	Fair value reserve	Translation adjustments	Minority interest	Total
Notes	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance as at 1 January 2008	5,264,650	8,601,300	47,373	530,000	26,274,327	614,264	142,961	520,823	41,995,698
Translation adjustments	-	-	-	-	-	-	(131,710)	-	(131,710)
Net profit for the period	-	-	-	-	6,268,487	-	-	-	6,268,487
Dividends paid	14	-	-	-	(2,603,488)	-	-	(80,140)	(2,683,628)
Unrealised losses on investments in marketable securities - available-for-sale	-	-	-	-	-	(300,390)	-	-	(300,390)
Minority interest	-	-	-	-	-	-	-	85,203	85,203
Closing balance as at 30 September 2008	5,264,650	8,601,300	47,373	530,000	29,939,326	313,874	11,251	525,886	45,233,660
Opening balance as at 1 January 2007									
- As previously reported	5,264,650	8,601,300	47,373	530,000	20,199,878	780,338	(13,808)	509,392	35,919,123
- Effect from the adoption of new accounting policy	3	-	-	-	(121,128)	-	-	(145)	(121,273)
- As restated	5,264,650	8,601,300	47,373	530,000	20,078,750	780,338	(13,808)	509,247	35,797,850
Translation adjustments	-	-	-	-	-	-	68,773	-	68,773
Net profit for the period	-	-	-	-	7,368,613	-	-	-	7,368,613
Dividends paid	-	-	-	-	(2,206,474)	-	-	(123,162)	(2,329,636)
Unrealised losses on investments in marketable securities - available-for-sale	-	-	-	-	-	(22,339)	-	-	(22,339)
Minority interest	-	-	-	-	-	-	-	107,355	107,355
Closing balance as at 30 September 2007	5,264,650	8,601,300	47,373	530,000	25,240,889	757,999	54,965	493,440	40,990,616

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

Statements of Changes in Shareholders' Equity

For the nine-month periods ended 30 September 2008 and 2007

	Notes	Company					Total Baht'000	
		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
Opening balance as at 1 January 2008		5,264,650	8,601,300	47,373	530,000	23,752,782	639,689	38,835,794
Net profit for the period		-	-	-	-	5,580,180	-	5,580,180
Dividends paid	14	-	-	-	-	(2,603,488)	-	(2,603,488)
Unrealised losses on investments in marketable securities - available-for-sale		-	-	-	-	-	(303,749)	(303,749)
Closing balance as at 30 September 2008		<u>5,264,650</u>	<u>8,601,300</u>	<u>47,373</u>	<u>530,000</u>	<u>26,729,474</u>	<u>335,940</u>	<u>41,508,737</u>
Opening balance as at 1 January 2007								
- As previously reported		5,264,650	8,601,300	47,373	530,000	17,404,076	810,392	32,657,791
- Effect from changes in accounting policy	3	-	-	-	-	(28,983)	-	(28,983)
- As restated		5,264,650	8,601,300	47,373	530,000	17,375,093	810,392	32,628,808
Net profit for the period		-	-	-	-	6,342,547	-	6,342,547
Dividends paid		-	-	-	-	(2,206,473)	-	(2,206,473)
Unrealised losses on investments in marketable securities - available-for-sale		-	-	-	-	-	(22,370)	(22,370)
Closing balance as at 30 September 2007		<u>5,264,650</u>	<u>8,601,300</u>	<u>47,373</u>	<u>530,000</u>	<u>21,511,167</u>	<u>788,022</u>	<u>36,742,512</u>

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

Statements of Cash Flows

For the nine-month periods ended 30 September 2008 and 2007

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Cash flows from operating activities					
Net profit before tax for the period		6,875,010	7,932,417	5,580,180	6,342,547
Adjustments to reconcile net profit to net cash provided by operations:					
- Depreciation and amortisation		1,637,784	1,607,090	37,282	35,658
- Allowance for obsolescence		28,207	5,506	-	-
- Retirement benefit expenses		9,869	9,590	2,482	2,889
- Unrealised currency exchange losses (gains)		28,525	(75,358)	-	-
- Interest income		(129,011)	(153,304)	(186,148)	(200,148)
- Interest expenses		468,359	619,252	133,025	130,229
- Gains on disposals of equipments		(596)	(239)	(596)	(289)
- Loss from write off assets		21	-	-	-
- Loss (gains) on disposals of long-term investment		20,340	-	(436,640)	-
- Gains on disposals of investments		-	(162,465)	-	(162,465)
- Dividends received from other companies		(77,861)	(133,823)	(77,861)	(133,823)
- Dividends received from subsidiaries and joint ventures		-	-	(5,242,340)	(6,283,754)
- Share of loss exceed interest in a joint venture	9.3	97,704	243,429	-	-
- Shares of profit from interests in joint ventures	9	(4,211,851)	(4,792,617)	-	-
Cash flows before changes in operating assets and liabilities		4,746,500	5,099,478	(190,616)	(269,156)
Changes in operating assets and liabilities: (excluding the effects of acquisition and disposal)					
- Deposits at financial institution used as collateral		(224,390)	511,176	-	-
- Trade receivables and trade receivable from a related party		16,321	(14,491)	-	-
- Amounts due from related parties		(2,379)	(105,724)	(9,607)	(6,713)
- Spare parts and supplies		(129,073)	(42,005)	-	-
- Other current assets and other non-current assets		(117,681)	(190,704)	(12,102)	(29,339)
- Trade payables and trade payable to a related party		(244,261)	(48,046)	-	-
- Amounts due to related parties		(7,757)	54,241	(32)	18
- Other current and non-current liabilities		(192,460)	(129,326)	(25,191)	(65,642)
- Retirement benefit paid		(3,743)	-	-	-
Cash generated (paid) from operation		3,841,077	5,134,599	(237,548)	(370,832)
- Tax paid		(344,622)	(652,868)	-	-
Net cash received from (used in) operating activities		3,496,455	4,481,731	(237,548)	(370,832)

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

Statements of Cash Flows

For the nine-month periods ended 30 September 2008 and 2007

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Cash flows from investing activities					
Cash paid for increase in share capital of joint ventures		(550,589)	(9,387,805)	(550,589)	(9,387,805)
Net cash receipt from disposal of a joint ventures		815,000	-	785,000	-
Net cash payments from deposits at financial institutions		(35,414)	(103,442)	-	(78,392)
Net cash receipts (payments) from short-term investments		(29,150)	853,652	(225,643)	877,618
Net cash receipts from long-term investments		-	517,438	-	491,568
Net purchases of equipment		(122,514)	(148,715)	(18,173)	(10,412)
Cash received from interest		121,638	162,853	149,032	150,483
Proceed from loans to related parties		-	100,000	433,420	506,380
Dividends received from subsidiaries and a joint venture		1,997,964	1,069,914	3,380,285	3,527,313
Dividends received from other companies		77,861	133,823	77,861	133,823
Others		-	(12,690)	-	-
Net cash received from (used in) investing activities		2,274,796	(6,814,972)	4,031,193	(3,789,424)
Cash flows from financing activities					
Payments on finance lease liabilities		(1,008)	(865)	-	-
Interest paid		(365,789)	(513,785)	(89,363)	(128,946)
Proceeds from short-term loans from financial institutions		-	4,350,000	-	4,350,000
Payments on long-term loans from financial institutions and debentures	11, 12	(1,187,516)	(1,180,540)	-	-
Dividends paid to shareholders		(2,707,391)	(2,259,487)	(2,601,926)	(2,203,978)
Net cash received from (used in) financing activities		(4,261,704)	395,323	(2,691,289)	2,017,076
Net increase (decrease) in cash and cash equivalents		1,509,547	(1,937,918)	1,102,356	(2,143,180)
Beginning balance		3,750,425	5,601,550	2,444,066	4,129,760
Ending balance		5,259,972	3,663,632	3,546,422	1,986,580
Cash and cash equivalents are made up as follows:					
- Cash in hand and deposits at financial institutions		971,386	1,022,123	21,581	71,312
- Short-term investments - maturity within three months		4,288,586	2,641,509	3,524,841	1,915,268
		5,259,972	3,663,632	3,546,422	1,986,580

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

Statements of Cash Flows

For the nine-month periods ended 30 September 2008 and 2007

	Consolidated		Company	
	2008	2007	2008	2007
		Restated		Restated
	Baht'000	Baht'000	Baht'000	Baht'000
Non-cash transactions				
- Reclassification of utilised capital spare parts to property, plant and equipment	658,081	407,474	-	-
- Reclassification of unutilised capital spare parts from property, plant and equipment	294,949	155,571	-	-
- Increase in property, plant and equipment by other payables	7,460	8,948	-	-
- Fixed assets from financing leases obligation	-	2,693	-	-

The notes to the interim consolidated and company financial statements on pages 12 to 31 are an integral part of these interim financial statements.

1 Accounting policies

1.1 Basis of preparation

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements are balance sheets, statements of income, changes in shareholders' equity and cash flows 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 2007, except the disclosures of additional information resulting from amendments to Thai Accounting Standards and a new accounting standard that are effective for the period beginning on or after 1 January 2008 as mentioned in Note 1.2.

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 2007 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 10 November 2008.

1.2 Amendments to accounting standards and a new accounting standard effective in 2008

The following revised and new accounting standards as published by the Federation of Accounting Professions are mandatory for the accounting periods beginning on or after 1 January 2008.

The revised accounting standards

TAS 25	"Cash Flow Statements"
TAS 29	"Leases"
TAS 31	"Inventories"
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 43	"Business Combinations"
TAS 49	"Construction Contracts"

The new accounting standard

TAS 51	"Intangible Assets"
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1 Accounting policies (continued)

1.2 Amendments to accounting standards and new accounting standard effective in 2008 (continued)

The Group has applied these standards from 1 January 2008. The Group's management assessed and determined that the application of these standards has no significant impact to the financial statements being presented, except the following revised and new standards.

TAS 35 (Revised 2007) revises the presentation of minority interests on the consolidated statement of income and requires other additional information disclosures as discussed in Note 2.

TAS 51 "Intangible Assets" requires cessation of amortisation of intangible assets with indefinite life but to test impairment annually. The Group estimates that all goodwill of the Group has definite useful life in accordance with Power Purchase Agreements of the acquirees. The Group has complied with the new accounting standard and amortises those goodwill amounts from business combinations throughout periods of Power Purchase Agreements.

2 Additional information

Additional information as required by TAS 35 (Revised 2007) is as follows:

2.1 Critical accounting estimates, assumption and judgements

Accounting estimates, assumption and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. During the nine-month period ended 30 September 2008, the Group's management did not make any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group has various means, such as returning capital to shareholders, issuing new shares and selling assets to reduce debts.

3 The application of accounting policy for employee benefits

During 2007, the Group has adopted the new accounting policy for employee benefits in accordance with the draft Thai accounting standard which is considered to better reflect provision. The Group has applied the retrospective adjustments for this change in accounting policy.

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3 The application of accounting policy for employee benefits (continued)

The effects of the adoption to the interim consolidated and company financial statements for the three-month and nine-month periods ended 30 September 2007 are as follows:

	<u>Consolidated</u>	<u>Company</u>
	<u>Increase (decrease)</u>	<u>Increase (decrease)</u>
	<u>Baht'000</u>	<u>Baht'000</u>
Balance sheet as at 30 September 2007		
Increase in retirement benefit obligations	131,279	33,155
Decrease in retained earnings as at 1 January 2007	(121,128)	(28,983)
Decrease in retained earnings as at 30 September 2007	(142,315)	(33,155)
Decrease in minority interests as at 1 January 2007	(145)	-
Decrease in minority interests as at 30 September 2007	(167)	-

Statement of income for the three-month period ended 30 September 2007

Increase in cost of sales and services	1,778	-
Increase in administrative expenses	1,418	963
Increase in interest expenses	1,715	428
Increase in share of loss exceed interest in a joint venture	494	-
Decrease in share of profit from interests in joint ventures	(1,825)	-
Decrease in minority interests	(7)	-
Decrease in basic earnings per share (Baht)	(0.01)	(0.01)

Statement of income for the nine-month period ended 30 September 2007

Increase in cost of sales and services	5,334	-
Increase in administrative expenses	4,256	2,889
Increase in interest expenses	5,147	1,283
Increase in share of loss exceed interest in a joint venture	1,482	-
Decrease in share of profit from interests in joint ventures	(4,990)	-
Decrease in minority interests	(22)	-
Decrease in basic earnings per share (Baht)	(0.04)	(0.01)

4 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 average effective annual income tax rate expected for the full financial year.

The estimated average effective annual tax rate used is 7.58% (2007 : 5.75%).

The Royal Decree regarding the reduction of corporate income tax (No.475) dated 29 July 2008 reduces the corporate income tax for a listed company on the Stock Exchange of Thailand under the Securities and Exchange law. Net profit which does not exceed Baht 300 million is to be subject to tax at the rate of 25%. The new tax rate is effective for three consecutive years for the accounting periods beginning on or after 1 January 2008.

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5 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
For the three-month period ended 30 September 2008					
Sales and service income	2,691,494	-	-	(40,706)	2,650,788
Share of profit	1,360,409	12,387	21,370	-	1,394,166
Segment result attributable to the equity holders of the parent	2,002,683	12,387	21,370	(3,450)	2,032,990
For the three-month period ended 30 September 2007 (restated)					
Sales and service income	3,047,207	-	-	(41,140)	3,006,067
Share of loss exceed interest in a joint venture	-	(62,992)	-	-	(62,992)
Share of profit	1,369,915	-	298	-	1,370,213
Segment result attributable to the equity holders of the parent	2,463,615	(62,992)	298	(14,016)	2,386,905
For the nine-month period ended 30 September 2008					
Sales and service income	8,089,122	-	-	(116,026)	7,973,096
Share of loss exceed interest in a joint venture	-	(97,704)	-	-	(97,704)
Share of profit	4,144,704	-	67,147	-	4,211,851
Segment result attributable to the equity holders of the parent	6,394,594	(97,704)	67,147	(10,347)	6,353,690
For the nine-month period ended 30 September 2007 (restated)					
Sales and service income	8,417,774	-	-	(101,160)	8,316,614
Share of loss exceed interest in a joint venture	-	(243,429)	-	-	(243,429)
Share of profit	4,758,170	-	34,447	-	4,792,617
Segment result attributable to the equity holders of the parent	7,705,864	(243,429)	34,447	(20,914)	7,475,968

6 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 (2008 and 2007 : 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.

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7 Deposits at financial institutions used as collateral

Deposits at financial institutions used as collateral are mainly of Khanom Electricity Generating Company Limited, EGCO Cogeneration Company Limited, and Roi-Et Green Company Limited. The subsidiaries are required to maintain cash reserves under their loan agreements and debenture agreement for the purpose of repayment of principal and payment of interest due within one year. These cash reserves are provided from the proceeds of sale of electricity (referred to Notes 11 and 12). As at 30 September 2008, these cash reserves were Baht 529 million (31 December 2007 : Baht 383 million). The remaining balance of deposits at financial institutions used as collateral of Baht 610 million (31 December 2007 : Baht 532 million) represents collateralised deposits maintained in accordance with the loan agreements but which can be used subject to certain lender approvals.

8 Trade receivables, net

Trade receivables as at 30 September 2008 and 31 December 2007 can be analysed as follows:

As at	Consolidated		Company	
	30 September 2008 Baht'000	31 December 2007 Baht'000	30 September 2008 Baht'000	31 December 2007 Baht'000
Current	121,651	112,590	-	-
Overdue below 3 months	13,483	21,351	-	-
Overdue 3 - 6 months	-	7,899	-	-
Overdue 6 - 12 months	1,341	4,902	-	-
Overdue over 12 months	2,034	2,034	-	-
	138,509	148,776	-	-
<u>Less</u> Allowance for doubtful receivables	(813)	(813)	-	-
Total trade receivables, net	<u>137,696</u>	<u>147,963</u>	-	-

9 Investments in subsidiaries and interests in joint ventures, net

As at	Consolidated		Company	
	30 September 2008 Baht'000	31 December 2007 Baht'000	30 September 2008 Baht'000	31 December 2007 Baht'000
Investments in subsidiaries	-	-	11,976,061	11,976,061
Interests in joint ventures	20,578,477	20,627,451	18,273,813	18,071,584
<u>Less</u> Provision for impairment	(394,406)	(394,406)	(394,406)	(394,406)
Interests in joint ventures, net	<u>20,184,071</u>	<u>20,233,045</u>	<u>17,879,407</u>	<u>17,677,178</u>
Investments in subsidiaries and interests in joint ventures, net	<u>20,184,071</u>	<u>20,233,045</u>	<u>29,855,468</u>	<u>29,653,239</u>

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

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

	<u>Consolidated</u>	<u>Company</u>
	<u>Baht'000</u>	<u>Baht'000</u>
For the nine-month period ended 30 September 2008		
Opening net book value	20,233,045	29,653,239
Share of profit from interests in joint ventures	4,211,851	-
Increase in share capital of joint ventures	10,000	550,589
Disposals of joint ventures	(835,340)	(348,360)
Dividend received from joint ventures	(3,299,560)	-
Translation adjustments	(135,925)	-
	<u>20,184,071</u>	<u>29,855,468</u>

9.1 Investments in subsidiaries

The principal subsidiaries are as follows:

				<u>Company</u>	
				<u>30 September 2008</u>	
<u>Business</u>	<u>Paid-up share capital</u>	<u>Portion of Investment</u>	<u>Cost Method</u>	<u>Dividend</u>	
	<u>Baht'000</u>	<u>(%)</u>	<u>Baht'000</u>	<u>Baht'000</u>	
(including indirect holding)					
<u>Subsidiaries incorporated in Thailand</u>					
Rayong Electricity Generating Co., Ltd.	Electricity generating	4,702,200	99.99	4,702,200	950,425
Khanom Electricity Generating Co., Ltd.	Electricity generating	4,850,000	99.99	4,850,000	899,057
EGCO Engineering and Service Co., Ltd. and its subsidiaries	Power plant operation and maintenance services	400,000	99.99	400,000	174,842
- Agro Energy Co., Ltd.	Trading / delivery services of natural scrap		99.99		
- Egcom Tara Co., Ltd.	Tap water business		70.00		
EGCO Green Energy Co., Ltd. and its subsidiary	Investing in biomass fueled electricity generating plant	175,000	74.00	129,500	-
- Roi-Et Green Co., Ltd.	Husk fueled electricity generating plant		95.00		
EGCO Cogeneration Co., Ltd.	Electricity generating	1,060,000	80.00	891,894	-
<u>Subsidiary incorporated in British Virgin Islands</u>					
EGCO International (B.V.I.) Limited 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	729,320	40.00		
Total investments in subsidiaries				<u>11,976,061</u>	<u>2,024,324</u>

As at 30 September 2008, dividend receivable from subsidiaries amounting to Baht 4,141 million was recognised in the interim company financial statements.

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

9.1 Investments in subsidiaries (continued)

The principal subsidiaries are as follows: (continued)

		Company			
		31 December 2007			
Business		Paid-up share capital Baht'000	Portion of Investment (%)	Cost Method Baht'000	Dividend Baht'000
(including indirect holding)					
<u>Subsidiaries incorporated in Thailand</u>					
Rayong Electricity Generating Co., Ltd.	Electricity generating	4,702,200	99.99	4,702,200	2,239,055
Khanom Electricity Generating Co., Ltd.	Electricity generating	4,850,000	99.99	4,850,000	2,352,477
EGCO Engineering and Service Co., Ltd. and its subsidiaries and joint venture	Power plant operation and maintenance services	400,000	99.99	400,000	254,540
- 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	175,000	74.00	129,500	70,146
- Roi-Et Green Co., Ltd.	Husk fueled electricity generating plant		95.00		
EGCO Cogeneration Co., Ltd.	Electricity generating	1,060,000	80.00	891,894	230,541
<u>Subsidiary incorporated in British Virgin Islands</u>					
EGCO International (B.V.I.) Limited and its joint venture	Investing in power energy projects	-	99.99	1,002,467	408,662
- Conal Holdings Corporation (Conal) (incorporated in the Philippines)	Investing in power energy business	729,320	40.00		
Total investments in subsidiaries				<u>11,976,061</u>	<u>5,555,421</u>

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

9.2 Interests in joint ventures, net

The principal joint ventures are as follows:

		Consolidated			
		30 September 2008			
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000	
	(including indirect holding)				
<u>Joint ventures incorporated in Thailand</u>					
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business 50.00	7,067,175	9,411,917	100,626	
BLCP Power Ltd. (BLCP)	Electricity generating 50.00	9,902,800	10,481,714	3,117,390	
Sustainable Energy and Environmental Development Co., Ltd. (SEED)	Investing in recycle fueled electricity 50.00	10,000	10,000	-	
<u>Joint venture incorporated in the Philippines</u>					
Conal Holdings Corporation (Conal) and its subsidiaries	Investing in power energy business 40.00	1,002,467	674,846	81,544	
		17,982,442	20,578,477	3,299,560	
<u>Less</u> Provision for impairment		(394,406)	(394,406)	-	
Total interests in joint ventures, net		<u>17,588,036</u>	<u>20,184,071</u>	<u>3,299,560</u>	

As at 30 September 2008, under terms and conditions of the loan agreement of BLCP, the common shares of BLCP were pledged as collateral for its long-term loans.

As at 30 September 2008, dividend receivable from joint ventures amounting to Baht 3,376 million was recognised in the consolidated interim financial statements.

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

9.2 Interests in joint ventures, net (continued)

The principal joint ventures are as follows (continued):

		Consolidated			
		31 December 2007			
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000	
		(including indirect holding)			
<u>Joint ventures incorporated in Thailand</u>					
Amata Power-Esco Service Co., Ltd.	Power plant operation	50.00	1,000	11,756	-
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	772,945	60,000
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	7,067,175	8,208,023	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	9,902,800	10,809,559	3,000,000
<u>Joint venture incorporated in the Philippines</u>					
Conal Holdings Corporation (Conal) and its subsidiaries	Investing in power energy business	40.00	1,002,467	825,168	80,043
			18,321,802	20,627,451	3,140,043
<u>Less</u> Provision for impairment			(394,406)	(394,406)	-
Total interests in joint ventures, net			<u>17,927,396</u>	<u>20,233,045</u>	<u>3,140,043</u>

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

9.2 Interests in joint ventures, net (continued)

The principal joint ventures are as follows (continued):

		Company		
		30 September 2008		
Business	Portion of Investment (%)	Cost Method Baht'000	Dividend Baht'000	
(including indirect holding)				
<u>Joint ventures incorporated in Thailand</u>				
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	7,067,175	100,626
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	9,902,800	3,117,390
Sustainable Energy and Environmental Development Co., Ltd. (SEED)	Investing in recycle fueled electricity	50.00	10,000	-
<u>Joint venture incorporated in the Lao People's Democratic Republic</u>				
Nam Theun 2 Power Company Limited	Electricity generating (construction phase)	25.00	1,293,838	-
			18,273,813	3,218,016
<u>Less</u> Provision for impairment			(394,406)	-
Total interests in joint ventures, net			<u>17,879,407</u>	<u>3,218,016</u>

As at 30 September 2008, dividend receivable from a joint venture amounting to Baht 3,367 million was recognised in the interim company financial statements.

Principal movements in interests in joint ventures during the nine-month period ended 30 September 2008

Nam Theun 2 Power Company Limited ("NTPC")

- (a) During the first quarter of 2008, NTPC called for additional paid-up share capital at US Dollars 0.90 million. The Group paid for additional paid-up shares in the same portion as its original investment, totalling US Dollars 0.30 million which equal to Baht 9.42 million.
- (b) During the second quarter of 2008, NTPC called for additional paid-up share capital at US Dollars 32.10 million. The Group paid for additional paid-up shares in the same portion as its original investment, totalling US Dollars 10.70 million which equal to Baht 346.34 million.
- (c) During the third quarter of 2008, NTPC called for additional paid-up share capital at US Dollars 16.35 million. The Group paid for additional paid-up shares in the same portion as its original investment, totalling US Dollars 5.45 million which equal to Baht 184.83 million.
- (d) In October and November 2008, NTPC called for additional paid-up shares of US Dollars 25.8 million. The Group has committed to pay its portion of US Dollars 8.6 million which equal to Baht 293.9 million.

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

9.2 Interests in joint ventures, net (continued)

The principal joint ventures are as follows (continued):

Principal movements in interests in joint ventures during the nine-month period ended 30 September 2008
(continued)

Sustainable Energy and Environmental Development Co., Ltd. (“SEED”)

(e) During 2007, the Company entered into the Memorandum of Understanding with two joint partners for the development of recycle fueled electricity project, in order to invest in 50% share capital of SEED. In January 2008, SEED issued additional ordinary shares of 0.10 million shares at par value of Baht 100 per share. The Group purchased all new shares issued, totalling Baht 10 million. Two joint partners will later purchase new shares issued in the proportion as their planned investments (refer to Note 18).

EGCO Joint Venture and Development Co., Ltd (“EGCO JD”)

(f) On 8 May 2008, the Company and Amata Power Co., Ltd. signed a Share Purchase Agreement for the sale of the entire 50% stake in EGCO JD amounting to 58,421,693 shares at the price of Baht 785 million. The Company received the payment on 15 May 2008.

Amata Power-Esco Services Co., Ltd (“AMESCO”)

(g) On 8 May 2008, EGCO Engineering and Service Co., Ltd. (ESCO), a wholly owned subsidiary of the Company, and Amata Power Co., Ltd. signed a Share Purchase Agreement for the sale of the entire 50% stake in AMESCO amounting to 100,000 shares at the price of Baht 30 million. ESCO received the payment on 15 May 2008.

		<u>Company</u>		
		<u>31 December 2007</u>		
<u>Business</u>	<u>Portion of Investment (%)</u>	<u>Cost Method Baht’000</u>	<u>Dividend Baht’000</u>	
(including indirect holding)				
<u>Joint ventures incorporated in Thailand</u>				
EGCO Joint Venture and Development Co., Ltd. (EGCO JD) and its associate and joint venture	Investing in power energy business	50.00	348,360	60,000
Gulf Electric Public Co., Ltd. (Gulf) and its subsidiaries	Investing in power energy business	50.00	7,067,175	-
BLCP Power Ltd. (BLCP)	Electricity generating	50.00	9,902,800	3,000,000
<u>Joint venture incorporated in the Lao People’s Democratic Republic</u>				
Nam Theun 2 Power Company Limited	Electricity generating (construction phase)	25.00	753,249	-
			18,071,584	3,060,000
<u>Less</u> Provision for impairment			(394,406)	-
Total interests in joint ventures, net			<u>17,677,178</u>	<u>3,060,000</u>

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

9.3 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 2008 are as follows:

	Consolidated
	Baht'000
Opening net book amount	(823,136)
Capital increase of a joint venture	540,589
Share of loss for the period	(97,704)
Translation adjustment	4,215
Closing net book amount	<u>(376,036)</u>

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

		Consolidated			
		30 September 2008			
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000	
NamTheun 2 Power Company Limited	Electricity generating (construction phase)	25.00	1,293,838	(376,036)	-

		Consolidated			
		31 December 2007			
Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000	
NamTheun 2 Power Company Limited	Electricity generating (construction phase)	25.00	753,249	(823,136)	-

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10 Capital expenditure and commitments

	Consolidated		Company
	Property, plant and equipment Baht'000	Goodwill Baht'000	Property, plant and equipment Baht'000
For the nine-month period ended 30 September 2008			
Opening net book amount	18,637,631	210,697	690,206
Additions	123,961	-	19,222
Capitalisation of capital spare parts	658,081	-	-
Transfer capital spare parts out, net	(294,949)	-	-
Reclassifications	(12,140)	-	-
Disposals, net	(1,128)	-	(453)
Depreciation and amortisation	(1,618,452)	(10,894)	(37,252)
Closing net book value	<u>17,493,004</u>	<u>199,803</u>	<u>671,723</u>

As at 30 September 2008, land, buildings and equipment of subsidiaries amounting to Baht 9,698 million were mortgaged and pledged as collateral in accordance with the loan agreements and debentures, as described in Notes 11 and 12 (31 December 2007 : Baht 10,366 million).

As at 30 September 2008, the Group 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 (31 December 2007 : nil).

11 Long-term loans, net

The long-term loans are as follows:

As at	Consolidated		Company	
	30 September 2008 Baht'000	31 December 2007 Baht'000	30 September 2008 Baht'000	31 December 2007 Baht'000
Current portion, net				
US Dollar	77,851	724,041	-	-
Japanese Yen	33,251	30,211	-	-
Thai Baht	81,005	78,623	-	-
<u>Less</u> Deferred financing fee	(3,755)	(3,755)	-	-
	<u>188,352</u>	<u>829,120</u>	<u>-</u>	<u>-</u>
Long-term portion, net				
US Dollar	533,509	606,168	-	-
Japanese Yen	221,449	231,419	-	-
Thai Baht	4,555,123	4,636,128	4,000,000	4,000,000
<u>Less</u> Deferred financing fee, net	(19,080)	(21,888)	-	-
	<u>5,291,001</u>	<u>5,451,827</u>	<u>4,000,000</u>	<u>4,000,000</u>
Total long-term loans, net	<u>5,479,353</u>	<u>6,280,947</u>	<u>4,000,000</u>	<u>4,000,000</u>

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11 Long-term loans, net (continued)

The long-term loans of the subsidiaries 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 (referred in Note 7). 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 ratios in accordance with conditions identified in the Master Agreements.

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

	<u>Consolidated</u>	<u>Company</u>
	<u>Baht'000</u>	<u>Baht'000</u>
For the nine-month period ended 30 September 2008		
Opening net book amount	6,280,947	4,000,000
Repayments of long-term loans	(832,876)	-
Amortisation of deferred financing fee	2,808	-
Unrealised exchange gains	28,474	-
	<u>5,479,353</u>	<u>4,000,000</u>
Closing net book amount	<u>5,479,353</u>	<u>4,000,000</u>

12 Debentures

The debentures are denominated in Thai Baht of a subsidiary as follows:

	<u>Consolidated</u>	
As at	<u>30 September</u>	<u>31 December</u>
	<u>2008</u>	<u>2007</u>
	<u>Baht'000</u>	<u>Baht'000</u>
Current portion	771,859	729,675
Long-term portion	1,830,113	2,226,937
	<u>2,601,972</u>	<u>2,956,612</u>
Total debentures	<u>2,601,972</u>	<u>2,956,612</u>

Movements of the debentures can be analysed as follows:

	<u>Consolidated</u>
	<u>Baht'000</u>
For the nine-month period ended 30 September 2008	
Opening net book amount	2,956,612
Repayments of debentures	(354,640)
	<u>2,601,972</u>
Closing amount	<u>2,601,972</u>

The debentures of the subsidiary are secured liabilities. The subsidiary is 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 7) and to pledge the relevant agreements as collateral (as described in Notes 10 and 11).

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13 Retirement benefit obligations

Movements of retirement benefit obligations can be analysed as follows:

	<u>Consolidated</u>	<u>Company</u>
	<u>Baht'000</u>	<u>Baht'000</u>
For the nine-month period ended 30 September 2008		
Opening net book amount	136,238	34,545
Retirement benefit expenses	9,869	2,482
Interest cost	5,493	1,394
Retirement benefit paid	(3,743)	-
	<u>147,857</u>	<u>38,421</u>
Closing amount	<u>147,857</u>	<u>38,421</u>

14 Dividends

At the Annual General Shareholders' meeting on 21 April 2008, it was unanimously resolved to pay dividends in respect of the operating results for the year ended 2007 as follows:

- (a) Interim dividends for 526,465,000 shares of Baht 2.25 per share, totalling Baht 1,185 million. These dividends were paid to shareholders in September 2007.
- (b) Dividends for 526,465,000 shares of Baht 2.50 per share, totalling Baht 1,316 million. These dividends were paid to shareholders in May 2008 (2007 : Dividends for 526,465,000 shares of Baht 2.00 per share, totalling Baht 1,053 million).

The Board of Directors' meeting on 18 August 2008 approved to pay interim dividends in respect of the operating results for the six-month period ended 30 June 2008 for 526,465,000 shares at Baht 2.50 per share, totalling Baht 1,316 million. These dividends were paid to shareholders in September 2008.

In addition, during the nine-month period ended 30 September 2008, the Company reversed dividend payable to foreign investors of Baht 29 million approximately (2007 : Baht 32 million) as they were unable to exercise their rights in receiving such dividends.

15 Related party transactions

The major shareholders of the Company are the Electricity Generating Authority of Thailand (EGAT) and One Energy Thailand Limited (formerly "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 stated in Note 9.

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 2008

	<u>Consolidated</u>		<u>Company</u>	
	<u>Three-month</u>	<u>Nine-month</u>	<u>Three-month</u>	<u>Nine-month</u>
	<u>period</u>	<u>period</u>	<u>period</u>	<u>period</u>
	<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>
Sales of electricity				
- Major shareholder	2,178,055	6,521,244	-	-

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15 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

(a) Sales of electricity (continued)

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
Sales of electricity				
- Major shareholder	2,485,138	6,983,304	-	-

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 2008 included the compensation from exchange rate effects of approximately Baht 87 million and Baht 223 million, respectively (Baht 97 million and Baht 312 million for the three-month and nine-month periods ended 30 September 2007, respectively).

(b) Service income and major maintenance expenses

For the three-month and nine-month periods ended 30 September 2008

	Consolidated		Company	
	Three-month period Baht'000	Nine-month period Baht'000	Three-month period Baht'000	Nine-month period Baht'000
Service income				
- Major shareholder	16,538	50,878	-	-
Major maintenance expenses				
- Major shareholder	76,420	212,204	-	-

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
Service income				
- Major shareholder	18,070	40,777	-	-
Major maintenance expenses				
- Major shareholder	47,025	155,538	-	-

The service income and major maintenance expenses are calculated based on “cost plus basis”.

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15 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

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

As at	Consolidated		Company	
	30 September 2008 Baht'000	31 December 2007 Baht'000	30 September 2008 Baht'000	31 December 2007 Baht'000
Trade receivable from a related party - Major shareholder	1,615,799	1,621,832	-	-

Trade receivable from a related party as at 30 September 2008 and 31 December 2007 can be analysed as follows:

As at	Consolidated		Company	
	30 September 2008 Baht'000	31 December 2007 Baht'000	30 September 2008 Baht'000	31 December 2007 Baht'000
Current	1,583,573	1,571,781	-	-
Overdue below 3 months	19,730	22,680	-	-
Overdue 3 - 6 months	9,120	20,789	-	-
Overdue 6 - 12 months	13	-	-	-
Overdue over 12 months	3,343	6,582	-	-
	<u>1,615,779</u>	<u>1,621,832</u>	-	-
Trade payable to a related party - Major shareholder	73,814	98,081	-	-

(d) Amounts due from and to related parties

As at	Consolidated		Company	
	30 September 2008 Baht'000	31 December 2007 Baht'000	30 September 2008 Baht'000	31 December 2007 Baht'000
<u>Amounts due from related parties</u>				
- Major shareholder	52,517	55,932	-	-
- Subsidiaries	-	-	49,094	7,787
- Joint ventures	12,282	6,927	2,173	2,312
- Other related parties	450	-	-	-
	<u>65,249</u>	<u>62,859</u>	<u>51,267</u>	<u>10,099</u>
Amounts due from related party due over one year	<u>210,756</u>	<u>196,169</u>	<u>210,756</u>	<u>196,169</u>
<u>Amount due to related parties</u>				
- Subsidiaries	-	-	7	39
- Other related parties	3,043	3,003	-	-
	<u>3,043</u>	<u>3,003</u>	<u>7</u>	<u>39</u>

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15 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

(e) Long-term loan to a related party and related interests

As at	Consolidated		Company	
	30 September 2008 Baht'000	31 December 2007 Baht'000	30 September 2008 Baht'000	31 December 2007 Baht'000
Current portion of long-term loan to a related party - Subsidiary	-	-	893,620	866,840
Long-term loan to a related party, net - Subsidiary	-	-	1,240,200	1,700,400
	-	-	2,133,820	2,567,240
Interest receivable - Subsidiary	-	-	37,801	7,419

Movements of long-term loan to a related party can be analysed as follows:

	Consolidated Baht'000	Company Baht'000
For the nine-month period ended 30 September 2008		
Beginning balance	-	2,567,240
Repayments received during the period	-	(433,420)
Ending balance	-	2,133,820

For the three-month and nine-month periods ended 30 September 2008

	Consolidated		Company	
	Three-month period Baht'000	Nine-month period Baht'000	Three-month period Baht'000	Nine-month period Baht'000
Interest income - Subsidiaries	-	-	32,421	107,897

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 - Subsidiaries	-	-	45,306	145,035
- Joint venture	-	-	-	3,945

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15 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

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

As at	<u>Consolidated</u>		<u>Company</u>	
	<u>30 September 2008 Baht'000</u>	<u>31 December 2007 Baht'000</u>	<u>30 September 2008 Baht'000</u>	<u>31 December 2007 Baht'000</u>
Investment in debentures				
- Subsidiary	-	-	26,028	29,575
Interest receivable				
- Subsidiary	-	-	1,452	272

For the three-month and nine-month periods ended 30 September 2008

	<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>
Interest income				
- Subsidiary	-	-	1,226	3,949

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>
Interest income				
- Subsidiary	-	-	1,550	4,882

Investment in debentures of a subsidiary was included in short-term and long-term investments in the company balance sheets as at 30 September 2008 and 31 December 2007.

16 Commitments and significant agreements

For the nine-month period ended 30 September 2008, the Company does not have any significant changes of commitments and other agreements from the year ended 31 December 2007, except for following transactions:

Commitments of the Company

- (a) As at 30 September 2008, the Company had commitments under Sponsor Support Agreements, which were made in respect of loans of subsidiaries and other related parties, totalling Baht 414 million.
- (b) As at 30 September 2008, 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 3,271 million.
- (c) As at 30 September 2008, the common shares of BLCP were pledged as collateral as described in Note 9.2.
- (d) On 30 April 2008, the Company entered into a long-term promissory note agreement with a local bank to obtain a credit facility of Baht 4,000 million. The interest rate of such facility is equal to 3-month THBFIX rate plus a certain margin per annum. Interest is payable on a semi-annual basis and the principal is to be paid upon the final maturity date which is three years from the date of this agreement. The Company commits to pay a commitment fee at 0.25% per annum for outstanding credit facility. As at 30 September 2008, the Company has not drawn down such facility.

17 Business Transfer

At the Annual General Shareholders' Meeting dated 21 April 2008, the acquisition of the entire business of Rayong Electricity Generating Co., Ltd. (REGCO), a wholly owned subsidiary of the Company, on 1 July 2008 or any other date that would be determined by the President, and REGCO's dissolution and liquidation in the same year were approved.

As at 30 September 2008, REGCO is in the process of transferring business.

18 Post balance sheet events

Post balance sheet event of the Company

On 1 October 2008 and 6 October 2008, the Company entered into Interest Rate Swap Contracts with a financial institution to protect the exposure of fluctuation in interest rate relating to long-term loan amounting to Baht 2,000 million. The interest rate changed from THBFIX 6 month plus a certain margin to fixed rates per annum. The agreement shall be effective from 28 December 2008 to 7 December 2014.

On 4 November 2008, the Executive Committee approved the transfer of SEPCO Asia Group Public Company Limited's 10,000 shares in Sustainable Energy and Environmental Development Co.,Ltd. ("SEED") which made this company become EGCO's wholly-owned subsidiary.