AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Ratchaburi Electricity Generating Holding Public Company Limited

I have reviewed the accompanying consolidated and company balance sheets as at 30 June 2004, and the related consolidated and company statements of income for the three-month and six-month periods ended 30 June 2004, and the related consolidated and company statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2004 of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries and of Ratchaburi Electricity Generating Holding Public Company Limited, respectively. These financial statements are the responsibility of the Company's management. My responsibility is to issue a report on these financial statements based on my review. The interim consolidated and company financial statements for the six-month period ended 30 June 2003, presented herewith for comparative purposes, were reviewed by another auditor whose report, dated 7 August 2003, expressed that he was not aware of any material modifications that should be made to these interim consolidated and company financial statements for them to be in conformity with generally accepted accounting principles.

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

Based on my review, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated and company financial statements for the year ended 31 December 2003 of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries and of Ratchaburi Electricity Generating Holding Public Company Limited, respectively, were audited by another auditor in accordance with generally accepted auditing standards and the other auditor expressed an unqualified opinion on those statements in his report dated 17 February 2004. The consolidated and company balance sheets as at 31 December 2003, presented herewith for comparative purposes, are part of the consolidated and company financial statements which were audited and upon which a report was issued as stated above and I have not performed any other auditing procedures subsequent to the date of that report.

NANGNOI CHAROENTHAVEESUB
Certified Public Accountant
(Thailand) No. 3044
PricewaterhouseCoopers ABAS Limited

Bangkok
9 August 2004

Ratchaburi Electricity Generating Holding Public Company Limited

Balance Sheets

As at 30 June 2004 and 31 December 2003

		Consolidated		Company	
		Unaudited	**Audited**	**Unaudited**	**Audited**
		30 June	**31 December**	**30 June**	**31 December**
		2004	**2003**	**2004**	**2003**
	Notes	**Baht'000**	**Baht'000**	**Baht'000**	**Baht'000**
ASSETS					
Current Assets					
Cash and cash equivalents		247,203	689,566	222,171	517,814
Short-term investments		1,339,276	268,000	1,199,636	268,000
Deposits at financial institutions used as collateral	4	29,137	1,869,914	-	-
Short-term investments used as collateral	4				
- Promissory notes and bills of exchange, net		3,450,514	4,818,912	-	-
Long-term investments used as collateral due within one year	4				
- Promissory notes and bills of exchange, net		384,462	9,778	-	-
- Marketable securities - held-to-maturity		30,865	30,895	-	-
Trade receivable from a related party	11	6,759,035	2,653,887	-	-
Advances to and other receivables from related parties	11	13,767	11,882	3,621	2,772
Spare parts and supplies		1,657,838	1,557,271	-	-
Other current assets		275,696	137,161	8,651	20,684
Total Current Assets		14,187,793	12,047,266	1,434,079	809,270
Non-Current Assets					
Advance to a related party	11	400,000	400,000	-	-
Long-term trade receivable from a related party	11	34,656	39,607	-	-
Long-term investments used as collateral	4				
- Promissory notes and bills of exchange, net		947,670	1,304,624	-	-
- Marketable securities - held-to-maturity		306,317	312,259	-	-
Long-term loans to related parties	11	358,344	-	977,144	718,200
Investments in subsidiaries	5	-	-	23,907,085	23,202,112
Interests in joint ventures	5	2,330,248	1,964,981	-	-
Property, plant and equipment, net	6	49,825,223	51,068,382	54,671	55,145
Other non-current assets		7,650	7,329	6,552	6,186
Total Non-Current Assets		54,210,108	55,097,182	24,945,452	23,981,643
Total Assets		68,397,901	67,144,448	26,379,531	24,790,913

The notes to the interim consolidated and company financial statements on pages 9 to 18 are an integral part of these interim financial statements.

		Consolidated		Company	
		Unaudited	**Audited**	**Unaudited**	**Audited**
		30 June	**31 December**	**30 June**	**31 December**
		2004	**2003**	**2004**	**2003**
	Notes	**Baht'000**	**Baht'000**	**Baht'000**	**Baht'000**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade payables		4,471,494	3,208,499	-	-
Trade payable to a related party	11	254,238	460,182	-	-
Current portion of long-term loans, net	7	2,914,509	2,834,081	-	-
Amounts due to related parties	11	45,149	133,594	640	264
Other payables		67,459	19,255	-	-
Other current liabilities					
- Corporate income tax payable		16,675	17,941	-	-
- Value added tax payable		185,979	151,803	305	160
- Unearned income		106,000	-	-	-
- Others		221,965	340,716	30,647	54,508
Total Current Liabilities		8,283,468	7,166,071	31,592	54,932
Non-Current Liabilities					
Long-term loans, net	7	33,766,494	35,242,396	-	-
Total Non-Current Liabilities		33,766,494	35,242,396	-	-
Total Liabilities		42,049,962	42,408,467	31,592	54,932
Shareholders' Equity					
Share capital	8				
Authorised share capital		14,500,000	14,500,000	14,500,000	14,500,000
Issued and paid-up share capital		14,500,000	14,500,000	14,500,000	14,500,000
Premium on share capital		1,531,778	1,531,778	1,531,778	1,531,778
Retained earnings					
Appropriated					
- Legal reserve		824,070	670,972	824,070	670,972
Unappropriated		9,492,091	8,033,231	9,492,091	8,033,231
Total Shareholders' Equity		26,347,939	24,735,981	26,347,939	24,735,981
Total Liabilities and Shareholders' Equity		68,397,901	67,144,448	26,379,531	24,790,913

The notes to the interim consolidated and company financial statements on pages 9 to 18 are an integral part of these interim financial statements.

Statements of Income

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

		Consolidated		Company	
		2004	2003	2004	2003
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Sales	11	9,865,073	8,632,328	-	-
Cost of sales	11	(7,918,690)	(7,094,261)	-	-
Gross profit		1,946,383	1,538,067	-	-
Administrative expenses		(103,699)	(92,054)	(43,869)	(39,284)
Directors' remuneration		(2,613)	(2,162)	(1,454)	(1,257)
Profit (loss) from sales		1,840,071	1,443,851	(45,323)	(40,541)
Other income					
- Management service income	11	4,256	-	4,639	529
- Interest income	11	35,390	39,020	9,856	4,890
- Others		2,944	13,284	5	17
Operating profit (loss)		1,882,661	1,496,155	(30,823)	(35,105)
Share of profit (loss) of subsidiaries and joint ventures		(39,669)	-	1,558,666	1,008,032
Profit before interest and tax		1,842,992	1,496,155	1,527,843	972,927
Interest expenses	11	(307,421)	(509,941)	(862)	(57)
Corporate income tax		(8,590)	(13,344)	-	-
Net profit for the period		1,526,981	972,870	1,526,981	972,870
Basic earnings per share (Baht)	3				
Net profit for the period		1.05	0.67	1.05	0.67

The notes to the interim consolidated and company financial statements on pages 9 to 18 are an integral part of these interim financial statements.

Statements of Income

For the six-month periods ended 30 June 2004 and 2003

		Consolidated		Company	
		2004	2003	2004	2003
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Sales	11	19,444,006	17,057,655	-	-
Cost of sales	11	(15,643,755)	(13,335,951)	-	-
Gross profit		3,800,251	3,721,704	-	-
Administrative expenses		(227,579)	(185,697)	(96,480)	(77,615)
Directors' remuneration		(5,287)	(4,434)	(3,047)	(2,610)
Profit (loss) from sales		3,567,385	3,531,573	(99,527)	(80,225)
Other income					
- Management service income	11	8,511	-	9,304	904
- Interest income	11	66,805	82,583	15,409	11,922
- Others		3,639	13,763	93	90
Operating profit (loss)		3,646,340	3,627,919	(74,721)	(67,309)
Share of profit of subsidiaries and joint ventures	5	53,525	-	3,138,067	2,631,914
Profit before interest and tax		3,699,865	3,627,919	3,063,346	2,564,605
Interest expenses	11	(620,633)	(1,039,309)	(1,388)	(120)
Corporate income tax		(17,274)	(24,125)	-	-
Net profit for the period		3,061,958	2,564,485	3,061,958	2,564,485
Basic earnings per share (Baht)	3				
Net profit for the period		2.11	1.77	2.11	1.77

The notes to the interim consolidated and company financial statements on pages 9 to 18 are an integral part of these interim financial statements.

Statements of Changes in Shareholders' Equity

For the six-month periods ended 30 June 2004 and 2003

						Consolidated
	Notes	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Legal reserve Baht'000	Retained earnings Baht'000	Total Baht'000
Opening balance as at 1 January 2004		14,500,000	1,531,778	670,972	8,033,231	24,735,981
Legal reserve		-	-	153,098	(153,098)	-
Net profit for the period		-	-	-	3,061,958	3,061,958
Dividends paid	10	-	-	-	(1,450,000)	(1,450,000)
Closing balance as at 30 June 2004		14,500,000	1,531,778	824,070	9,492,091	26,347,939
Opening balance as at 1 January 2003		14,500,000	1,531,778	399,619	6,142,752	22,574,149
Legal reserve		-	-	128,277	(128,277)	-
Net profit for the period		-	-	-	2,564,485	2,564,485
Dividends paid	10	-	-	-	(2,175,000)	(2,175,000)
Closing balance as at 30 June 2003		14,500,000	1,531,778	527,896	6,403,960	22,963,634

						Company
		Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Legal reserve Baht'000	Retained earnings Baht'000	Total Baht'000
Opening balance as at 1 January 2004		14,500,000	1,531,778	670,972	8,033,231	24,735,981
Legal reserve		-	-	153,098	(153,098)	-
Net profit for the period		-	-	-	3,061,958	3,061,958
Dividends paid	10	-	-	-	(1,450,000)	(1,450,000)
Closing balance as at 30 June 2004		14,500,000	1,531,778	824,070	9,492,091	26,347,939
Opening balance as at 1 January 2003		14,500,000	1,531,778	399,619	6,142,752	22,574,149
Legal reserve		-	-	128,277	(128,277)	-
Net profit for the period		-	-	-	2,564,485	2,564,485
Dividends paid	10	-	-	-	(2,175,000)	(2,175,000)
Closing balance as at 30 June 2003		14,500,000	1,531,778	527,896	6,403,960	22,963,634

The notes to the interim consolidated and company financial statements on pages 9 to 18 are an integral part of these interim financial statements.

Statements of Cash Flows

For the six-month periods ended 30 June 2004 and 2003

		Consolidated		Company	
		2004	**2003**	**2004**	**2003**
	Notes	**Baht'000**	**Baht'000**	**Baht'000**	**Baht'000**
Cash flows from operating activities					
Net profit for the period		3,061,958	2,564,485	3,061,958	2,564,485
Adjustments to reconcile net profit to net cash					
provided by operations:					
- Depreciation	6	1,283,013	1,221,350	11,762	10,096
- Amortisation	7	26,549	26,871	-	-
- Unrealised currency exchange (gains)/losses		5,189	(7,898)	-	-
- Shares of profit of subsidiaries					
and joint ventures	5	(53,525)	-	(3,138,067)	(2,631,914)
- Others		1,350	(5,336)	-	839
Cash flows before changes in operating assets					
and liabilities		4,324,534	3,799,472	(64,347)	(56,494)
Changes in operating assets and liabilities:					
(excluding the effects of acquisition and disposal)					
- Trade receivable from a related party		(4,100,197)	344,076	-	-
- Advances to and other receivables from					
related parties		(1,885)	(1,771)	(849)	(99)
- Spare parts and supplies		(100,567)	(65,769)	-	-
- Other receivable		-	90,000	-	-
- Other current assets and non-current assets		(140,661)	(142,919)	11,240	30,262
- Trade payables and trade payable					
to a related party		1,057,051	(7,336)	-	-
- Amounts due to related parties and					
other payables		(48,264)	138,849	377	(427)
- Other current liabilities		18,079	277,791	(26,024)	(18,027)
Net cash receipts (payments) from operating activities		1,008,090	4,432,393	(79,603)	(44,785)

The notes to the interim consolidated and company financial statements on pages 9 to 18 are an integral part of these interim financial statements.

Statements of Cash Flows

For the six-month periods ended 30 June 2004 and 2003

		Consolidated		Company	
		2004	2003	2004	2003
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Net cash receipts (payments) of short-term investments		(1,070,786)	474,000	(931,210)	570,000
Net cash receipts (payments) of deposits at financial instituions and short-term investments used as collateral		3,207,498	(50,363)	-	-
Cash receipts from disposals of long-term investments		-	9,134	-	9,134
Purchases of long-term investments used as collateral		(22,190)	(105,567)	-	-
Cash receipts from disposals of long-term investments used as collateral		14,897	11,974	-	-
Payment of short-term loan to a related party		-	-	(416,250)	-
Receipt from short-term loan to a related party		-	-	416,250	-
Acquisition of an interest in a joint venture	5	(416,250)	-	-	-
Payments for additional call-up of shares of a subsidiary	5	-	-	(420,500)	(180,000)
Long-term loans to a related party		(358,344)	-	(358,344)	-
Receipts from long-term loans to a related party		-	-	99,400	-
Dividends received from a subsidiary and a joint venture	5	104,508	-	2,853,594	3,239,559
Purchases of property, plant and equipment		(39,854)	(102,177)	(11,288)	(1,340)
Net cash receipts from investing activities		1,419,479	237,001	1,231,652	3,637,353
Cash flows from financing activities					
Receipt from short-term loan from a related party		-	-	800,000	-
Repayment of short-term loan from a related party		-	-	(800,000)	-
Payments of financing leases		(217)	(2,106)	-	(1,890)
Repayments of long-term loans		(1,422,023)	(1,002,993)	-	-
Dividends paid to shareholders		(1,447,692)	(2,166,333)	(1,447,692)	(2,166,333)
Net cash payments from financing activities		(2,869,932)	(3,171,432)	(1,447,692)	(2,168,223)
Net increase (decrease) in cash and cash equivalents		(442,363)	1,497,962	(295,643)	1,424,345
Beginning balance		689,566	14,741	517,814	12,583
Ending balance		247,203	1,512,703	222,171	1,436,928
Cash and cash equivalents are made up as follows:					
- Cash in hand and deposits at financial institutions		27,153	1,452,703	12,121	1,436,928
- Short-term investments - maturity within three months		220,050	60,000	210,050	-
		247,203	1,512,703	222,171	1,436,928
Supplementary information for cash flows:					
Interest paid		620,633	1,039,308	1,388	120
Tax paid		18,930	62,244	382	151

The notes to the interim consolidated and company financial statements on pages 9 to 18 are an integral part of these interim financial statements.

Accounting policies

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

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

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

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

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2003 except for an additional accounting policy in respect of interests in joint ventures.

Interests in joint ventures

The Group's interests in jointly controlled entities are accounted for by the equity method of accounting in the consolidated and company financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint ventures that it is attributable to the other venturers. The Group does not recognise its shares of profits or losses from the joint ventures that result from the purchase of assets by the Group from the joint ventures until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of assets or an impairment loss, the loss is recognised immediately.

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.

Income tax expense is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year. As stated in the 2003 annual financial statements, a subsidiary has Board of Investment privileges including exemption from corporate income tax.

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

2 Segment information

The Group engages in power plant business through own operations and through investments. Management considers its activities as an integrated and complementary line of business and determines that the Group has only one major industry segment. Moreover, in terms of operating locations and market areas, the Group has only one geographical segment because it operates solely in Thailand.

3 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 (2004: 1,450,000,000 shares and 2003: 1,450,000,000 shares).

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

4 Deposits at financial institutions and short-term and long-term investments used as collateral

Deposits at financial institutions and short-term and long-term investments used as collateral are those of a subsidiary and comprise cash reserves required to be maintained under its loan agreements for the purpose of repayment of principal and interest due in the next installment. These cash reserves are provided from sales of electricity. As at 30 June 2004, these cash reserves amounted to Baht 1,022.56 million (31 December 2003: Baht 1,254.90 million). The remaining balance of deposits at financial institutions and short-term and long-term investments used as collateral of Baht 4,126.41 million (31 December 2003: Baht 7,091.49 million) represent collateralised deposits maintained in accordance with the loan agreements (Note 7), but which can be used subject to certain lender approvals.

5 Investments in subsidiaries and interests in joint ventures

	Consolidated		Company	
As at	**30 June 2004 Baht'000**	**31 December 2003 Baht'000**	**30 June 2004 Baht'000**	**31 December 2003 Baht'000**
Investments in subsidiaries	-	-	23,907,085	23,202,112
Interests in joint ventures	2,330,248	1,964,981	-	-
Total investments in subsidiaries and interests in joint ventures	2,330,248	1,964,981	23,907,085	23,202,112

5 Investments in subsidiaries and interests in joint ventures (continued)

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

	Consolidated	Company
	Baht'000	Baht'000
For the six-month period ended 30 June 2004		
Opening book value	1,964,981	23,202,112
Acquisition of an interest in a joint venture (Note 5.3)	416,250	-
Additional call-up shares of a subsidiary	-	420,500
Share of profit of subsidiaries and joint ventures	53,525	3,138,067
Dividends received from a subsidiary and joint venture	(104,508)	(2,853,594)
Closing book value	2,330,248	23,907,085

5.1 The principal subsidiaries, which are all incorporated in Thailand, are as follows:

			Company			
			30 June 2004		31 December 2003	
	Business	Portion of investment (%)	Cost method Baht'000	Equity method Baht'000	Cost method Baht'000	Equity method Baht'000
Ratchaburi Electricity Generating Co., Ltd.	Electricity generating	99.99	18,275,000	22,024,257	18,275,000	21,780,361
Ratchaburi Energy Co., Ltd.	Electricity generating (not yet operating)	99.99	190,000	168,199	190,000	174,700
Ratchaburi Gas Co., Ltd. (formerly Banpu Gas Power Co., Ltd.) and its joint venture - Tri Energy Co., Ltd.	Investing in power energy business	99.99	500,000	1,312,360	500,000	1,246,712
Ratch Udom Power Co., Ltd. and its subsidiary - Ratchaburi Alliances Co., Ltd.	Investing in power energy business	99.99	420,900	402,269	400	339
			19,385,900	23,907,085	18,965,400	23,202,112

Ratch Udom Power Company Limited

In April 2004, Ratch Udom Power Company Limited, which is a wholly owned subsidiary of the Company, issued 42,050,000 new ordinary shares at par value of Baht 10, which were priced at Baht 10. The Company purchased new shares issued for a total consideration of Baht 420.50 million.

Dividend received from a subsidiary

During the six-month period ended 30 June 2004, Ratchaburi Electricity Generating Company Limited approved to pay dividends in the amount of Baht 2,853.59 million. The dividends were received in May 2004.

5 Investments in subsidiaries and interests in joint ventures (continued)

5.2 The principal joint ventures, which are all incorporated in Thailand, are as follows:

			Consolidated			
			30 June 2004		31 December 2003	
	Business	Portion of investment (%)	Cost method Baht'000	Equity method Baht'000	Cost method Baht'000	Equity method Baht'000
Tri Energy Co., Ltd.	Electricity generating	37.50	1,283,925	1,931,460	1,283,925	1,964,981
Ratchaburi Power Co., Ltd.	Electricity generating (development phase)	25.00	416,250	398,788	-	-
			1,700,175	2,330,248	1,283,925	1,964,981

Dividend received from a joint venture

During the six-month period ended 30 June 2004, Tri Energy Company Limited, approved to pay dividends in the amount of Baht 104.51 million. The dividends were received in June 2004.

5.3 Acquisition of an interest in a joint venture

Ratchaburi Power Company Limited

On 12 March 2004, Rachaburi Alliances Company Limited which is a subsidiary of Ratch Udom Power Company Limited acquired 25% of the share capital of Ratchaburi Power Company Limited, according to a Share Sale and Purchase Agreement dated 27 February 2004. The operation of Ratchaburi Power Company Limited is to generate electricity for sale to the Electricity Generating Authority of Thailand (EGAT) over the period of a Power Purchase Agreement (PPA) of which 25 years.

Net assets acquired in Ratchaburi Power Company Limited recorded in these interim financial statements and the resulting goodwill are as follows:

	Million Baht
Property, plant and equipment, net	147
Other assets less liabilities	(436)
Book value of net assets	(289)
Goodwill	705
Total purchase consideration	416

The net assets from acquisition as shown above are stated at the net book value at the date of acquisition. The Group is in the process of appraising the fair value of other assets. The difference between net book value and net fair value will be adjusted through goodwill. The consideration of Baht 416.25 million was settled in cash. The net book value which is presented in negative balance amounting to Baht 289 million as at 12 March 2004 was applied as the fair value of the net identifiable assets at the acquisition date. The resulting goodwill of Baht 705 million will be amortised on a straight-line basis from the commencement of commercial operations, currently expected to be quarter 1, 2008.

6 Capital expenditure and commitments

	Consolidated	Company
	Baht'000	Baht'000
For the six-month period ended 30 June 2004		
Opening net book value	51,068,382	55,145
Additions	39,854	11,288
Transfer, net	-	-
Depreciation	(1,283,013)	(11,762)
Closing net book value	49,825,223	54,671

Land, building, power plant and equipment amounting to Baht 49,713.75 million (31 December 2003: Baht 50,959.60 million) are mortgaged and pledged as collateral for long-term loans.

As at 30 June 2004, the Group has capital commitments in respect of purchases of equipment but not recognised in the interim consolidated financial statements totalling US Dollars 7.00 million, equivalent to Baht 287.21 million.

7 Long-term loans, net

The long-term loans are Thai Baht loans as follows:

	Consolidated		Company	
As at	**30 June 2004 Baht'000**	**31 December 2003 Baht'000**	**30 June 2004 Baht'000**	**31 December 2003 Baht'000**
Total long-term loans	37,229,669	38,651,692	-	-
Less: Deferred financing fee	(548,666)	(575,215)	-	-
Total long-term loans, net	36,681,003	38,076,477	-	-
Current portion of long-term loans	2,967,606	2,887,178	-	-
Less: Deferred financing fee amortised within one year	(53,097)	(53,097)	-	-
	2,914,509	2,834,081	-	-
Long-term loans, net	34,262,063	35,764,514	-	-
Less: Deferred financing fee amortised more than one year, net	(495,569)	(522,118)	-	-
	33,766,494	35,242,396	-	-

7 Long-term loans, net (continued)

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

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2004		
Opening net book amount	38,076,477	-
Additions	-	-
Repayments	(1,442,023)	-
Amortisation of deferred financing fee	26,549	-
Closing net book amount	36,681,003	-

Long-term loans are secured liabilities under the Loan Agreement dated 9 October 2000 subject to the first and second amendments on 20 June 2002 and 27 June 2003, respectively. The long-term loans are secured over land, buildings, power plant and equipment of a subsidiary. The subsidiary has to maintain cash reserves which are provided from the proceeds of sales of electricity for the purpose of repayment of principal and interest in the next installment (Note 4).

In addition, the Power Purchase Agreement, the Asset Purchase Agreement, the Major Maintenance Agreement, insurance policies and other related agreements with the lenders have been assigned as collateral in accordance with the conditions under the Loan Agreement.

8 Share capital and premium on share capital

For the six-month period ended 30 June 2004

	Number of Shares	Ordinary shares Baht'000	Premium on share capital Baht' 000	Total Baht'000
Opening balance	1,450,000,000	14,500,000	1,531,778	16,031,778
Issue of shares	-	-	-	-
Closing balance	1,450,000,000	14,500,000	1,531,778	16,031,778

As at 30 June 2004, the total authorised number of ordinary shares is 1,450,000,000 shares (31 December 2003: 1,450,000,000 shares) with a par value of Baht 10 per share (31 December 2003: Baht 10 per share). All issued shares are fully paid.

9 Commitments and contingent liabilities

For the six-month period ended 30 June 2004, there were not any significant changes of commitments, contingent liabilities and significant agreements from the year ended 31 December 2003 except the following:

According to the Share Sale and Purchase Agreement dated 27 February 2004 (Note 5.3), the Company has provided corporate guarantees to banks amounting to Baht 175 million to secure certain obligations under the Power Purchase Agreement which Ratchaburi Power Company Limited, a jointly controlled entity, has made with the Electricity Generating Authority of Thailand.

10 Dividends

At the annual shareholders' meeting held on 12 April 2004, it was approved to pay dividends in respect of 2003 performance as follows:

(a) Interim dividends for 1,450 million shares of Baht 0.75 per share, totalling Baht 1,087.50 million. These interim dividends were paid to shareholders in September 2003.

(b) Dividends for 1,450 million shares of Baht 1 per share, totalling Baht 1,450 million. These dividends were paid to shareholders in May 2004.

At the annual shareholders' meeting held on 11 April 2003, it was approved to pay dividends in respect of 2002 performance for 1,450 million shares of Baht 1.50 per share, totalling Baht 2,175 million. These dividends were paid to shareholders in May 2003.

11 Related party transactions

A major shareholder of the Company is the Electricity Generating Authority of Thailand (EGAT) who holds 45% of the Company's total ordinary shares, the Company's remaining shares are widely held.

Information for the Company's subsidiaries and joint ventures is shown in Note 5.

During the period, the Group has entered into a number of transactions with related parties, the terms of which are negotiated on an arm's length basis in the ordinary course of business and according to normal trade conditions.

The following material transactions were carried out with related parties:

(a) Sales of electricity, management service income and interest income

	Consolidated		Company	
For the three-month periods ended 30 June	**2004 Baht'000**	**2003 Baht'000**	**2004 Baht'000**	**2003 Baht'000**
Sales of electricity				
- Electricity Generating Authority of Thailand	9,865,073	8,623,328	-	-
Management service income				
- Subsidiaries	-	-	383	529
- Joint ventures	4,256	-	4,256	-
Interest income				
- Subsidiaries	-	-	3,078	-
- Joint ventures	2,729	-	2,729	-

11 Related party transactions (continued)

(a) Sales of electricity, management service income and interest income (continued)

For the six-month periods ended 30 June	Consolidated 2004 Baht'000	Consolidated 2003 Baht'000	Company 2004 Baht'000	Company 2003 Baht'000
Sales of electricity				
- Electricity Generating Authority of Thailand	19,444,006	17,057,655	-	-
Management service income				
- Subsidiaries	-	-	793	904
- Joint ventures	8,511	-	8,511	-
Interest income				
- Subsidiaries	-	-	6,123	-
- Joint ventures	3,109	-	3,109	-

(b) Purchases of goods and services and interest expenses

For the three-month periods ended 30 June	Consolidated 2004 Baht'000	Consolidated 2003 Baht'000	Company 2004 Baht'000	Company 2003 Baht'000
Purchases of fuel oil				
- Electricity Generating Authority of Thailand	796,143	146,669	-	-
Purchases of electricity				
- Electricity Generating Authority of Thailand	31,636	32,911	-	-
Operation and maintenance expenses				
- Electricity Generating Authority of Thailand	182,820	293,837	-	-
Interest expenses				
- Subsidiary	-	-	839	-

For the six-month periods ended 30 June	Consolidated 2004 Baht'000	Consolidated 2003 Baht'000	Company 2004 Baht'000	Company 2003 Baht'000
Purchases of fuel oil				
- Electricity Generating Authority of Thailand	1,990,677	194,273	-	-
Purchases of electricity				
- Electricity Generating Authority of Thailand	65,563	65,906	-	-
Operation and maintenance expenses				
- Electricity Generating Authority of Thailand	372,361	526,789	-	-
Interest expenses				
- Subsidiary	-	-	1,275	-

Interest expenses for the three-month and six-month periods ended 30 June 2004 related to short-term loan from a subsidiary which was fully settled in quarter 2, 2004.

11 Related party transactions (continued)

(c) Outstanding balances arising from sales/ purchases of goods and services

	Consolidated		Company	
As at	**30 June 2004 Baht'000**	**31 December 2003 Baht'000**	**30 June 2004 Baht'000**	**31 December 2003 Baht'000**
Trade receivable from a related party				
- Electricity Generating Authority of Thailand	6,759,035	2,653,887	-	-
Long-term trade receivable from a related party				
- Electricity Generating Authority of Thailand	34,656	39,607	-	-
Trade payable to a related party				
- Electricity Generating Authority of Thailand	254,238	460,182	-	-

Outstanding trade receivable from a related party as at 30 June 2004 and 31 December 2003 can be analysed as follow:

As at	**30 June 2004 Baht'000**	**31 December 2003 Baht'000**
Up to 3 months	6,759,035	2,653,887
3 - 6 months	-	-
6 - 12 months	-	-
Over 12 months	-	-
	6,759,035	2,653,887

(d) Amounts due from/ to, advances and loans to related parties

	Consolidated		Company	
As at	**30 June 2004 Baht'000**	**31 December 2003 Baht'000**	**30 June 2004 Baht'000**	**31December 2003 Baht'000**
Advances to and other receivables from related parties				
- Electricity Generating Authority of Thailand	10,731	9,504	-	-
- Subsidiaries	-	-	585	394
- Joint ventures	3,036	2,378	3,036	2,378
Advance to a related party				
- Electricity Generating Authority of Thailand	400,000	400,000	-	-
Amounts due to related parties				
- Electricity Generating Authority of Thailand	45,149	133,594	640	264
Long-term loans to related parties				
- Subsidiary	-	-	618,800	718,200
- Joint venture	358,344	-	358,344	-

11 Related party transactions (continued)

(d) Amounts due from/ to, advances and loans to related parties (continued)

Long-term loan to a subsidiary amounting to Baht 618.80 million bears interest at the rate of 1.50% per annum (31 December 2003: Baht 718.20 million bearing interest at the rate of 1.50% per annum).

Long-term loan to a joint venture amounting to Baht 358.34 million bears interest at the rate of 3.125% per annum (31 December 2003: nil).

12 Comparative figures

Where necessary, comparative figures, being cash and cash equivalents and deferred financing fee, have been adjusted to conform with changes in presentation in the current period.

RATCHABURI ELECTRICITY GENERATING HOLDING
PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS (UNAUDITED)

30 June 2004