RATCHABURI ELECTRICITY GENERATING HOLDING
PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS
(UNAUDITED)

31 March 2007

PRICEWATERHOUSECOOPERS

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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 31 March 2007, the related consolidated and company statements of income, the related consolidated and company statements of changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2007 and 2006 of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries and of Ratchaburi Electricity Generating Holding 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 above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the consolidated and company financial statements for the year ended 31 December 2006 of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries and of Ratchaburi Electricity Generating Holding Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 9 February 2007. As discussed in Note 2 to the financial statements, from 1 January 2007 the Company has changed its accounting policy for investments in subsidiaries and joint ventures in the company financial statements from equity method to cost method to comply with the Federation of Accounting Profession's announcement. The Company has applied retrospective adjustments. Therefore, the company balance sheet as at 31 December 2006, as part of the consolidated and company financial statements which I have audited and issued a report thereon as stated above, and the interim company financial statements for the quarter ended 31 March 2006, presented for comparative proposes, are restated.

Nangnoi Charoenthaveesub
Certified Public Accountant (Thailand) No. 3044
PricewaterhouseCoopers ABAS Limited

Bangkok
8 May 2007

Ratchaburi Electricity Generating Holding Public Company Limited

Balance Sheets

As at 31 March 2007 and 31 December 2006

		Consolidated		Company	
					Restated
		Unaudited	Audited	Unaudited	Audited
		31 March	31 December	31 March	31 December
		2007	2006	2007	2006
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
ASSETS					
Current Assets					
Cash and cash equivalents		2,878,742	3,124,489	296,865	560,828
Short-term investments - held-to-maturity	5	9,226,154	7,760,363	6,972,374	6,925,564
Long-term investments due within one year	5				
- Promissory notes and bills of exchange, net		178,921	281,707	-	-
- Marketable securities - held-to-maturity, net		62,342	62,401	-	-
Trade receivable from a related party	12	8,149,779	8,644,763	-	-
Dividends receivable	6	-	-	2,709,636	-
Advances to and other receivables from related parties	12	25,526	26,152	3,832	9,032
Spare parts and supplies, net		1,825,973	1,798,959	-	-
Other current assets		419,618	224,050	113,311	81,536
Total Current Assets		22,767,055	21,922,884	10,096,018	7,576,960
Non-Current Assets					
Long-term trade receivable from a related party	12	24,754	24,754	-	-
Long-term investments					
- Promissory notes and bills of exchange, net		518,068	509,819	518,068	509,819
- Marketable securities - held-to-maturity, net		118,940	119,066	100,000	100,000
Long-term loans to related parties	12	-	-	569,031	504,031
Long-term receivable from related parties	12	-	-	10,855	3,969
Investments in subsidiaries	6	-	-	20,001,803	20,001,803
Interests in joint ventures	6	4,454,904	3,985,925	479,000	335,000
Property, plant and equipment, net	7	44,572,133	45,233,230	40,107	40,333
Other non-current assets	12	325,931	309,374	5,436	5,403
Total Non-Current Assets		50,014,730	50,182,168	21,724,300	21,500,358
Total Assets		72,781,785	72,105,052	31,820,318	29,077,318

The notes to the interim consolidated and company financial statements on pages 8 to 17 are an integral part of these interim financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited

Balance Sheets

As at 31 March 2007 and 31 December 2006

		Consolidated		Company	
					Restated
		Unaudited	Audited	Unaudited	Audited
		31 March	31 December	31 March	31 December
		2007	2006	2007	2006
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade payable		5,561,156	6,185,411	-	-
Trade payable to a related party	12	244,947	176,212	-	-
Current portion of long-term loans, net	8				
- Long-term loans from financial institutions		954,799	777,686	-	-
- Debentures		2,330,230	2,330,230	-	-
Amounts due to related parties	12	48,853	24,212	-	3,495
Other payables		306,574	187,548	-	-
Unearned revenue and accrued expenses to related parties	12	25,571	35,039	-	-
Other current liabilities					
- Corporate income tax payable		78,905	42,697	14,205	-
- Value added tax payable		166,159	231,049	821	917
- Reserve for loss from fire cause		478,148	750,240	-	-
- Dividends payable		9,531	10,500	9,531	10,500
- Others		314,044	258,792	57,848	64,729
Total Current Liabilities		10,518,917	11,009,616	82,405	79,641
Non-Current Liabilities					
Long-term loans, net	8				
- Long-term loans from financial institutions		21,937,111	22,235,860	-	-
- Debentures		3,581,617	4,164,174	-	-
Total Non-Current Liabilities		25,518,728	26,400,034	-	-
Total Liabilities		36,037,645	37,409,650	82,405	79,641
Shareholders' Equity					
Share capital	9				
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		1,450,000	1,450,000	1,450,000	1,450,000
Unappropriated		19,262,362	17,213,624	14,256,135	11,515,899
Total Shareholders' Equity		36,744,140	34,695,402	31,737,913	28,997,677
Total Liabilities and Shareholders' Equity		72,781,785	72,105,052	31,820,318	29,077,318

The notes to the interim consolidated and company financial statements on pages 8 to 17 are an integral part of these interim financial statements.

Statements of Income

For the three-month periods ended 31 March 2007 and 2006

		Consolidated		Company	
					Restated
		2007	2006	2007	2006
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Sales	12	11,405,027	12,388,591	-	-
Cost of sales	12	(9,264,770)	(10,404,039)	-	-
Gross profit		2,140,257	1,984,552	-	-
Administrative expenses		(154,587)	(128,319)	(73,180)	(56,119)
Directors' remuneration		(6,873)	(7,687)	(5,064)	(4,991)
Profit (loss) from sales		1,978,797	1,848,546	(78,244)	(61,110)
Other income					
- Management service income	12	10,844	110,631	11,874	111,289
- Interest income	12	168,320	109,410	112,015	64,074
- Dividends income	6	-	-	2,709,636	2,942,499
- Others		31,145	17,597	435	42
Operating profit		2,189,106	2,086,184	2,755,716	3,056,794
Share of profit of joint ventures	6	255,494	190,934	-	-
Profit before interest and tax		2,444,600	2,277,118	2,755,716	3,056,794
Interest expenses		(358,378)	(327,665)	-	-
Corporate income tax	10	(37,484)	(15,663)	(15,480)	-
Net profit for the period		2,048,738	1,933,790	2,740,236	3,056,794
Basic earnings per share (Baht)	4				
Net profit for the period		1.41	1.33	1.89	2.11

The notes to the interim consolidated and company financial statements on pages 8 to 17 are an integral part of these interim financial statements.

Consolidated

	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 2007	14,500,000	1,531,778	1,450,000	17,213,624	34,695,402
Net profit for the period	-	-	-	2,048,738	2,048,738
Closing balance as at 31 March 2007	14,500,000	1,531,778	1,450,000	19,262,362	36,744,140
Opening balance as at 1 January 2006	14,500,000	1,531,778	1,298,772	14,158,816	31,489,366
Legal reserve	-	-	96,689	(96,689)	-
Net profit for the period	-	-	-	1,933,790	1,933,790
Closing balance as at 31 March 2006	14,500,000	1,531,778	1,395,461	15,995,917	33,423,156

Company (Restated)

	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 2007	14,500,000	1,531,778	1,450,000	17,213,624	34,695,402
Adjustment (Note 2)	-	-	-	(5,697,725)	(5,697,725)
Opening balance as at 1 January 2007 after retrospective	14,500,000	1,531,778	1,450,000	11,515,899	28,997,677
Net profit for the period	-	-	-	2,740,236	2,740,236
Closing balance as at 31 March 2007	14,500,000	1,531,778	1,450,000	14,256,135	31,737,913
Opening balance as at 1 January 2006	14,500,000	1,531,778	1,298,772	14,158,816	31,489,366
Adjustment (Note 2)	-	-	-	(4,976,828)	(4,976,828)
Opening balance as at 1 January 2006 after retrospective	14,500,000	1,531,778	1,298,772	9,181,988	26,512,538
Legal reserve	-	-	96,689	(96,689)	-
Net profit for the period	-	-	-	3,056,794	3,056,794
Closing balance as at 31 March 2006	14,500,000	1,531,778	1,395,461	12,142,093	29,569,332

The notes to the interim consolidated and company financial statements on pages 8 to 17 are an integral part of these interim financial statements.

Statements of Cash Flows

For the three-month periods ended 31 March 2007 and 2006

		Consolidated		Company	
					Restated
		2007	2006	2007	2006
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Net profit for the period		2,048,738	1,933,790	2,740,236	3,056,794
Adjustments to reconcile net profit to net cash					
provided by operations:					
- Depreciation	7	676,627	656,950	3,192	6,339
- Allowance for obsolescence of spare parts		23,640	14,033	-	-
- Amortisation of deferred financing fee	8	7,705	7,705	-	-
- Unrealised currency exchange (gain) loss		(5,573)	(2,309)	1	-
- Shares of profit of joint ventures	6	(255,494)	(190,934)	-	-
- Dividends receivable from a subsidiary	6	-		(2,709,636)	(2,942,499)
- Gains on disposal of assets		(329)	-	(329)	-
- Others		302	585	-	-
Cash flows before changes in operating assets					
and liabilities		2,495,616	2,419,820	33,464	120,634
Changes in operating assets and liabilities:					
- Trade receivable from a related party		494,984	1,526,893	-	-
- Advances to and other receivables from related parties		1,604	8,977	(1,686)	1,970
- Spare parts and supplies		(50,654)	11,296	-	-
- Other current assets and non-current assets		(184,514)	(310,375)	(57,229)	(11,707)
- Trade payables and trade payable to a related party		(555,520)	(1,266,945)	-	-
- Amounts due to related parties and other payables		144,241	(393,998)	(3,495)	(243)
- Unearned revenue and accrued expenses to related parties		(9,468)	18,645	-	-
- Other current liabilities		(314,093)	(113,251)	7,226	(17,408)
Net cash receipts from (payments in) operating activities		2,022,196	1,901,062	(21,720)	93,246

The notes to the interim consolidated and company financial statements on pages 8 to 17 are an integral part of these interim financial statements.

		Consolidated			Company
					Restated
		2007	2006	2007	2006
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Net cash payments for short-term investments		(1,433,882)	(857,619)	(29,637)	(922,620)
Cash receipts from disposals of long-term investments		96,316	38,722	-	-
Payments for additional paid-up share of joint ventures	6	(148,485)	(18,750)	(144,000)	(18,750)
Payment for additional paid-up capital of a joint venture	6	(65,000)	(10,831)	-	-
Long-term loans to related parties		-	-	(65,000)	(10,831)
Cash receipts from long-term loans to related parties		-	649,556	-	649,556
Proceeds from disposal of property, plant and equipment		360	-	360	-
Purchases of property, plant and equipment	7	(4,385)	(4,644)	(2,997)	(4,581)
Net cash payments in investing activities		(1,555,076)	(203,566)	(241,274)	(307,226)
Cash flows from financing activities					
Cash receipt from short-term loan		-	2,460,000	-	-
Cash payment for short-term loan		-	(2,460,000)	-	-
Cash payments for long-term loans	8	(128,588)	(196,522)	-	-
Cash payment for debentures	8	(583,310)	(583,310)	-	-
Dividends paid to shareholders		(969)	(862)	(969)	(862)
Net cash payments in financing activities		(712,867)	(780,694)	(969)	(862)
Net increase (decrease) in cash and cash equivalents		(245,747)	916,802	(263,963)	(214,842)
Beginning balance		3,124,489	4,388,090	560,828	1,527,141
Ending balance		2,878,742	5,304,892	296,865	1,312,299
Cash and cash equivalents are made up as follows:					
- Cash on hand and deposits at financial institutions		290,078	203,735	216,865	112,299
- Short-term investments - maturity within three months		2,588,664	5,101,157	80,000	1,200,000
		2,878,742	5,304,892	296,865	1,312,299
Non-cash transactions:					
Purchase of power plant insurance which has not been paid and other payable		72,589	70,294	-	-
Transfer advance payable to work in progress		11,096	-	-	-
Supplementary information for cash flows:					
Interest paid		358,437	327,724	-	-
Tax paid		2,177	4,952	1,276	4,174

The notes to the interim consolidated and company financial statements on pages 8 to 17 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 which 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.

An English version of the interim consolidated and company financial statements have 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.

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 consolidated and company financial statements should be read in conjunction with the 2006 annual financial statements.

These interim consolidated and company financial statements have been approved for issue by the management on 8 May 2007.

1.2 Amendment to accounting standards effective in 2007 and 2008

On 2 May 2007, the Federation of Accounting Professions (FAP) announced the amendments to Thai Accounting Standards (TAS) as followings:

TAS 25 "Cash flow statement"
TAS 33 "Borrowing costs"
TAS 44 "Consolidated financial statements and separate financial statements"
TAS 45 "Investments in associates"
TAS 46 "Interests in joint ventures"
TAS 49 "Construction contracts"

The effective date for the revised TAS 44 "Consolidated financial statements and separate financial statements", TAS 45 "Investments in associates" and TAS 46 "Interests in joint ventures" is for the accounting periods beginning on or after 1 January 2007 as discussed in Note 2.

TAS 25 "Cash flow statement", TAS 33 "Borrowing costs" and TAS 49 "Construction contracts" will be effective for the accounting periods beginning on or after 1 January 2008. However, the Group's management has determined that the revised standards will not significantly impact the financial statements being presented.

2 Change accounting policy

According to the notification of Federation of Accounting Professions No.26/2549 dated on 11 October 2006 and No.32/2549 dated on 3 November 2006 relating to amendment of TAS 44 " Consolidated financial statements and accounting for investment in subsidiaries" and TAS 45 " Accounting for Investments in Associates" which require the change from the equity method of accounting to cost method of accounting for investment in the subsidiaries and associates presented in the Company financial statements. Under the cost method, income from investment will be recorded when dividends are declared. The notification is mandatory from 1 January 2007. The Group applies such method for interests in joint venture presented in the Company financial statements.

2 Change accounting policy (continued)

The Group has adopted the cost method commencing from 1 January 2007 by applying retrospective adjustments. The effects of the changes to the Company's balance sheet as of 31 December 2006 and the Company's statement of income for the three-month period ended 31 March 2006 are as follows:

	Million Baht
Balance sheet as of 31 December 2006	
Decrease in investments in subsidiaries and interests in joint ventures	5,697.72
Decrease in retained earnings	5,697.72
Statement of Income for the three-month period ended 31 March 2006	
Increase in net profit	1,123.00
Increase basic earnings per share (Baht)	0.78

3 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.

4 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period (2007: 1,450,000,000 shares and 2006: 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.

5 Short-term and long-term investments

The Board of Director's meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 11 July 2005, it has approved the policy to maintain cash reserves for repayment of principal and interest of long-term loans in the next installment. As at 31 March 2007, such reserves amounting Baht 902.06 million were included in short-term investments and long-term investments (As at 31 December 2006: Baht 876.17 million).

6 Investments in subsidiaries and interests in joint ventures

	Consolidated		Company	
				Restated
As at	31 March 2007 Baht'000	31 December 2006 Baht'000	31 March 2007 Baht'000	31 December 2006 Baht'000
Investments in subsidiaries	-	-	20,001,803	20,001,803
Interests in joint ventures	4,454,904	3,985,925	479,000	335,000
Total investments in subsidiaries and interests in joint ventures	4,454,904	3,985,925	20,480,803	20,336,803

6 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
		Restated
	Baht'000	Baht'000
For the three-month period ended 31 March 2007		
Opening book value	3,985,925	26,034,527
Less effect from change accounting policy (Note 2)	-	(5,697,724)
Opening book value after adjusted	3,985,925	20,336,803
Payments for additional paid-up share of joint ventures	148,485	144,000
Payment for additional capital of a joint venture	65,000	-
Share of profit of joint ventures	255,494	-
Closing book value	4,454,904	20,480,803

Payment for additional paid-up share of joint ventures

On 17 January 2007, 15 February 2007 and 15 March 2007, SouthEast Asia Energy Limited, a joint venture, called for additional paid-up share of Baht 0.75, Baht 0.45 and Baht 0.40 per share respectively, the Company paid for its portion of 25.00%, totalling of Baht 144 million.

On 15 February 2007, Siam Ethanol Exports Company Limited, a joint venture, called for additional paid-up share capital. Ratchaburi Energy Company Limited, a subsidiary, paid for the additional paid-up share in the same proportion as its original investment of 15.00%, totalling of Baht 4.49 million.

Payment for additional capital of a joint venture

On 21 February 2007, Ratchaburi Power Company Limited, a joint venture, registered additional authorized share capital from 23.25 million shares to 33.25 million shares with a par value of Baht 100 per share and called for partial payment. Ratchaburi Alliances Company Limited, a subsidiary, paid for the additional authorized share capital in the same proportion as its original investment of 25.00% amounting to Baht 65 million.

Dividends receivable from a subsidiary

According to the resolution of the Annual Shareholders' meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 20 March 2007 it has approved to pay additional dividends in respect of 2006 performance for 1,827.50 million shares of Baht 1.48 per share, totalling Baht 2,709.64 million. Dividends will be paid in May 2007. The Company has recorded dividends receivable in the Company's interim financial statements for the period ended 31 March 2007.

According to the resolution of the Annual Shareholders' meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 21 March 2006 it had approved to pay additional dividends in respect of 2005 performance for 1,827.50 million shares of Baht 1.61 per share, totalling Baht 2,942.50 million. The Company received the dividends in May 2006.

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

6.1 The principal subsidiaries and joint venture, which are all incorporated in Thailand, are as follows:

			Company
			31 March 2007
	Business	Portion of Investment (%)	Cost Method Baht'000
Ratchaburi Electricity Generating Co., Ltd.	Electricity generating	99.99	18,275,000
Ratchaburi Gas Co., Ltd. and its joint venture Tri Energy Co., Ltd.	Investing in power energy business	99.99	1,165,903
Ratch Udom Power Co., Ltd. and its subsidiary Ratchaburi Alliances Co., Ltd. and its joint venture Ratchaburi Power Co., Ltd.	Investing in power energy business	99.99	420,900
Ratchaburi Energy Co., Ltd. and its joint venture Siam Ethanol Exports Co., Ltd.	Electricity generating (construction phase) and investing in power energy business	99.99	140,000
			20,001,803
Chubu Ratchaburi Electric Services Company Limited	Provide operation and maintenance services	49.99	10,000
SouthEast Asia Energy Limited	Investing in power energy business (construction phase)	25.00	469,000
			479,000

			Company
			Restated 31 December 2006
	Business	Portion of Investment (%)	Cost Method Baht'000
Ratchaburi Electricity Generating Co., Ltd.	Electricity generating	99.99	18,275,000
Ratchaburi Gas Co., Ltd. and its joint venture Tri Energy Co., Ltd.	Investing in power energy business	99.99	1,165,903
Ratch Udom Power Co., Ltd. and its subsidiary Ratchaburi Alliances Co., Ltd and its joint venture Ratchaburi Power Co., Ltd.	Investing in power energy business	99.99	420,900
Ratchaburi Energy Co., Ltd. and its joint venture Siam Ethanol Exports Co., Ltd.	Electricity generating (construction phase) and investing in power energy business	99.99	140,000
			20,001,803
Chubu Ratchaburi Electric Services Company Limited	Provide operation and maintenance services	49.99	10,000
SouthEast Asia Energy Limited	Investing in power energy business (construction phase)	25.00	325,000
			335,000

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

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

					Consolidated
					31 March 2007
	Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000
Tri Energy Co., Ltd.	Electricity generating	50.00	1,809,210	3,558,187	-
Ratchaburi Power Co., Ltd.	Electricity generating (construction phase)	25.00	627,500	398,416	-
Siam Ethanol Exports Co., Ltd.	Produce alcohol for export (construction phase)	15.00	38,272	35,993	-
Chubu Ratchaburi Electric Services Company Limited	Provide operation and maintenance services	49.99	10,000	12,375	-
SouthEast Asia Energy Limited	Investing in power energy business (construction phase)	25.00	469,000	449,933	-
			2,953,982	4,454,904	-

					Consolidated
					31 December 2006
	Business	Portion of Investment (%)	Cost Method Baht'000	Equity Method Baht'000	Dividend Baht'000
Tri Energy Co., Ltd.	Electricity generating	50.00	1,809,210	3,292,496	218,261
Ratchaburi Power Co., Ltd.	Electricity generating (construction phase)	25.00	562,500	340,585	-
Siam Ethanol Exports Co., Ltd.	Produce alcohol for export (construction phase)	15.00	33,788	31,809	-
Chubu Ratchaburi Electric Services Company Limited	Provide operation and maintenance services	49.99	10,000	11,531	-
SouthEast Asia Energy Limited	Investing in power energy business (construction phase)	25.00	325,000	309,504	-
			2,740,498	3,985,925	218,261

7 Capital expenditure and commitments

Property, Plant and equipment, net

	Consolidated Baht'000	Company Baht'000
For the three-month period ended 31 March 2007		
Opening net book value	45,233,230	40,333
Additions	15,561	2,997
Disposals, net	(31)	(31)
Depreciation	(676,627)	(3,192)
Closing net book value	44,572,133	40,107

As at 31 March 2007, Ratchaburi Electricity Generating Company Limited, a subsidiary, has pledged land, buildings, power plant and equipment at the net amount of Baht 44,403.04 million (31 December 2006: Baht 45,072.05 million) as collateral in accordance with the long-term loan agreements (Note 8).

8 Long-term loans, net

Long-term loans are Thai Baht loans as follows:

	Consolidated		Company	
As at	31 March 2007 Baht'000	31 December 2006 Baht'000	31 March 2007 Baht'000	31 December 2006 Baht'000
Current portion of long-term loans	982,611	805,498	-	-
Less Deferred financing fee amortised within one year	(27,812)	(27,812)	-	-
Current portion of long-term loans, net	954,799	777,686	-	-
Current portion of unsubordinated and secured debentures	2,333,240	2,333,240	-	-
Less Deferred financing fee amortised within one year	(3,010)	(3,010)	-	-
Current portion of unsubordinated and secured debentures, net	2,330,230	2,330,230	-	-
Long-term loans	22,131,796	22,437,498	-	-
Less Deferred financing fee amortised more than one year	(194,685)	(201,638)	-	-
Long-term loans, net	21,937,111	22,235,860	-	-
Unsubordinated and secured debentures	3,583,590	4,166,900	-	-
Less Deferred financing fee amortised more than one year	(1,973)	(2,725)	-	-
Unsubordinated and secured debentures, net	3,581,617	4,164,175	-	-
Total long-term loans	29,031,237	29,743,136	-	-
Less Deferred financing fee	(227,480)	(235,186)	-	-
Total long-term loans, net	28,803,757	29,507,950	-	-

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

	Consolidated Baht'000	Company Baht'000
For the three-month period ended 31 March 2007		
Opening net book amount	29,507,950	-
Repayments of long-term loans	(128,588)	-
Repayments of debentures	(583,310)	-
Amortisation of deferred financing fee	7,705	-
Closing net book amount	28,803,757	-

Long-term loans are secured by land, buildings, power plant and equipment of a subsidiary as mentioned in Note 7.

9 Share capital and premium on share capital

For the three-month period ended 31 March 2007

	Number of Shares	Ordinary shares Baht'000	Premium on share capital Baht'000	Total Baht'000
As at 1 January 2007	1,450,000,000	14,500,000	1,531,778	16,031,778
Issue of shares	-	-	-	-
As at 31 March 2007	1,450,000,000	14,500,000	1,531,778	16,031,778

As at 31 March 2007, the total authorised number of ordinary shares is 1,450,000,000 shares (31 December 2006: 1,450,000,000 shares) with a par value of Baht 10 per share (31 December 2006: Baht 10 per share). All issued shares are fully paid.

10 Corporate income tax

Income tax expense is recognised based on the best estimate of the annual income tax rate expected for the full financial year. As stated in the 2006 annual financial statements, a subsidiary has certain promotional privileges from the Board of Investment (BOI), which include exemption of corporate income tax.

Corporate income tax of Baht 37.48 million and of Baht 15.48 million, presented in the consolidated and company statements of income for the period ended 31 March 2007, is calculated at 30% on taxable income from taxable activities.

11 Commitments and contingent liabilities

For the three-month period ended 31 March 2007, there were no significant commitments and contingent liabilities including contracts changes from the year ended 31 December 2006.

12 Related party transactions

A major shareholder of the Company is Electricity Generating Authority of Thailand (EGAT), which holds 45.00% of the Company's total ordinary shares, and EGAT Employee's Provident Fund, which holds about 0.73% of the Company's total ordinary shares. The Company's remaining shares are widely held.

Information regarding the Company's subsidiaries and joint ventures is shown in Note 6.

During the period, the Group has entered into a number of transactions with related parties; the terms are agreed in the agreement and are in the ordinary course of business and according to normal trade conditions. Purchases of fuel oil and electricity from EGAT are at market price.

12 Related party transactions (continued)

The following material transactions were carried out with related parties:

(a) Sales, management service income and interest income

For the three-month periods ended 31 March	Consolidated 2007 Baht'000	Consolidated 2006 Baht'000	Company 2007 Baht'000	Company 2006 Baht'000
Sales				
- Electricity Generating Authority of Thailand	11,405,027	12,388,591	-	-
Management service income				
- Subsidiaries	-	-	1,030	680
- Joint ventures	10,844	110,631	10,844	110,609
Interest income				
- Subsidiaries	-	-	6,885	6,428
- Joint ventures	-	3,395	-	3,395
Other income				
- Joint venture	4,129	1,466	-	-

During the first quarter ended 31 March 2006, the Company has received development fee under the Shareholders Agreement, from a joint venture amounting to Baht 101 million. This amount included in management service income from joint venture.

(b) Purchases of goods and services

For the three-month periods ended 31 March	Consolidated 2007 Baht'000	Consolidated 2006 Baht'000	Company 2007 Baht'000	Company 2006 Baht'000
Purchases of fuel oil				
- Electricity Generating Authority of Thailand	264,633	380,640	-	-
Purchases of electricity				
- Electricity Generating Authority of Thailand	28,022	27,765	-	-
Operation and maintenance expenses				
- Electricity Generating Authority of Thailand	237,178	198,979	-	-

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

As at	Consolidated 31 March 2007 Baht'000	Consolidated 31 December 2006 Baht'000	Company 31 March 2007 Baht'000	Company 31 December 2006 Baht'000
Trade receivable from a related party				
- Electricity Generating Authority of Thailand	8,149,779	8,644,763	-	-

Trade receivable from a related party has credit term not exceed than 1 month.

12 Related party transactions (continued)

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

As at	Consolidated 31 March 2007 Baht'000	Consolidated 31 December 2006 Baht'000	Company 31 March 2007 Baht'000	Company 31 December 2006 Baht'000
Long-term trade receivable from a related party				
- Electricity Generating Authority of Thailand	24,754	24,754	-	-
Trade payable to related parties				
- Electricity Generating Authority of Thailand	244,947	176,212	-	-
Amounts due to related parties				
- Electricity Generating Authority of Thailand	48,853	21,962	-	268
- A subsidiary	-	-	-	977
- A Joint Venture	-	2,250	-	2,250
	48,853	24,212	-	3,495
Unearned revenue and accrued expenses to related parties				
- Electricity Generating Authority of Thailand	21,322	33,623	-	-
- Joint ventures	4,249	1,416	-	-
	25,571	35,039	-	-

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

As at	Consolidated 31 March 2007 Baht'000	Consolidated 31 December 2006 Baht'000	Company 31 March 2007 Baht'000	Company 31 December 2006 Baht'000
Advances to and other receivables from related parties				
- Electricity Generating Authority of Thailand	20,794	17,414	-	-
- Subsidiaries	-	-	375	294
- Joint ventures	4,732	8,738	3,457	8,738
	25,526	26,152	3,832	9,032
Long-term loans to related parties				
- Subsidiaries	-	-	569,031	504,031
Long-term receivable from related parties				
- Subsidiaries	-	-	10,855	3,969

Long-term loan to Ratchaburi Gas Company Limited, a subsidiary, amounting to Baht 360.20 million is promissory note at call bearing interest at the rate of 12 months fixed deposit interest rate for juristic persons of a commercial bank plus 1 per annum. During the first quarter 2007, interest rates are 4.50% to 6.00% per annum. (As at 31 December 2006: Baht 360.20 million bearing interest at the rate of 6.00% per annum). The Company classifies this loan and interest receivable as long-term loan and other non-current assets, respectively because the subsidiary will repay loan when it receives dividends from its joint venture, Tri Energy Company Limited.

Long-term loan to Ratch Udom Power Co.Ltd, a subsidiary, amounting to Baht 208.83 million is promissory note at call bearing interest at the rate of 12 months fixed deposit interest rate for juristic persons of a commercial bank plus 1 per annum. During the first quarter 2007, interest rates are 4.50% to 6.00% per annum (As at 31 December 2006: Baht 143.83 million bearing interest at the rate of 6.00% per annum). The Company classifies this loan and interest receivable as long-term loan and other non-current assets, respectively because Ratch Udom Company Limited, will repay loan and interest when it receives the loan and interest settlement from Ratchaburi Alliances Company Limited.

13 Post balance sheet events

On 18 April 2007, SouthEast Asia Energy Limited, a joint venture, called for the additional paid-up share of Baht 0.40 per share for 90 million shares with a par value of Baht 10 per share. The Company paid for the additional paid-up share for its portion of 25.00%, amounting to Baht 36 million.

According to the resolution of the Annual Shareholders' meeting held on 20 April 2007, it was approved to pay dividends in respect of 2006 performance as follows:

(a) Interim dividends for 1,450 million shares of Baht 1.00 per share, totalling Baht 1,450 million. These interim dividends were paid to the shareholders in September 2006 according to the Board of Directors'meeting on 21 August 2006.

(b) Dividends for 1,450 million shares of Baht 1.10 per share, totalling Baht 1,595 million. These dividends will be paid to the shareholders in May 2007.