

Financial Report



Electricity Generating Authority of Thailand

BANG KRUI NONTABURI 11130 THAILAND

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No. EGAT 15/ 2003

TO WHOM IT MAY CONCERN

This is to certify that the English version of the Report of Independent Auditor together with the Financial Statements for the years ended September 30, 2002 and 2001 of the Electricity Generating Authority of Thailand were translated by the Electricity Generating Authority of Thailand from that of the Thai version.

Issued on February 3, 2003

ELECTRICITY GENERATING AUTHORITY OF THAILAND

A handwritten signature in black ink, appearing to read 'Santad Jirayuwat', is positioned above the printed name and title.

(Mr. Santad Jirayuwat)
Deputy Governor – Account and Finance
Acting on behalf of Governor

(TRANSLATION)
REPORT OF AUDITOR

To The Board of Directors,
Electricity Generating Authority of Thailand

Office of the Auditor General has audited the balance sheets of the Electricity Generating Authority of Thailand as at September 30, 2002 and 2001, and the related statements of income, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Electricity Generating Authority of Thailand's management as to their correctness and completeness of the information. The responsibility of Office of the Auditor General is to express an opinion on these financial statements based on the audits.

Office of the Auditor General conducted the audits in accordance with generally accepted auditing standards. Those standards require that Office of the Auditor General plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. Office of the Auditor General believes that the audits provide a reasonable basis for the opinion.

Office of the Auditor General issued an audit report dated February 15, 2001 which expressed an unqualified opinion on the financial statements of EGAT for the year 2001, except for the establishment of the Mine Reclamation Sinking Fund. EGAT contributed into the fund for the year 2001 an amount of Baht 111.70 million, which was recorded as an expense in the statement of income. The amount charged to the Fund was not an actual expense incurred and could not be estimated with reasonable certainty. EGAT did not consolidate the revenue and expense of the fund in the statements of income, which was not in accordance with generally accepted accounting principles. This resulted in the net income for the year ended September 30, 2001 being lower by Baht 89.89 million. For the year 2002, EGAT has changed its accounting policy by reclassifying the Mine Reclamation Sinking Fund from a specific sinking fund included in equity to Provision Liabilities for Mine Reclamation included in other liabilities due to the certainty of the liability. EGAT has retroactively adjusted its financial statements for the year 2001, which are presented as comparatives herein, so as to be in conformity with generally accepted accounting principles, as discussed in Note 3.1 to the financial statements. Accordingly, the current auditor opinion on comparative financial statements for the year 2001 varies from that stated in the previous year.

In the opinion of Office of the Auditor General, the aforementioned financial statements present fairly the financial positions of the Electricity Generating Authority of Thailand as at September 30, 2002 and 2001 and the results of its operations and its cash flows for the years then ended, and the results of its retained earnings of the year ended September 30, 2002 and 2001 in conformity with generally accepted accounting principles.

Office of the Auditor General draws the Board of Directors' attention to the Accompanying Note 3 relating to change in accounting policy, accounting estimates and fundamental error.

(Signed) Lakhana Bunyamanonukul
 (Lakhana Bunyamanonukul)

Director of Audit Office No.5

(Signed) Launruk Thanee
 (Launruk Thanee)

Auditor-in-Charge

Office of the Auditor General
December 23, 2002

ELECTRICITY GENERATING AUTHORITY OF THAILAND
BALANCE SHEETS
AS AT SEPTEMBER 30, 2002 AND 2001

	Remark	2002 Baht	2001 Baht (Restated)
ASSETS			
CURRENT ASSETS			
Cash and Bank Balances	4.1	22,617,048,415	14,183,460,317
Short-term investments in fixed deposits	4.2	8,987,109,782	10,550,567,936
Trade Accounts Receivable – Net	2.3, 4.3	30,890,798,205	29,351,617,638
Other Accounts Receivable – Net	2.3, 4.4	1,388,672,331	1,108,111,836
Materials and Supplies – Net	2.4, 4.5	5,618,542,733	7,945,914,096
Other Current Assets		<u>2,598,675,662</u>	<u>2,055,942,613</u>
Total Current Assets		<u>72,100,847,128</u>	<u>65,195,614,436</u>
INVESTMENT IN SUBSIDIARY AND ASSOCIATED COMPANIES			
	2.5, 4.6	<u>9,663,629,332</u>	<u>8,510,527,452</u>
FIXED ASSETS			
Land, Buildings, Plant and Equipment – Net	2.6, 2.7, 4.7	219,651,816,174	218,833,902,754
Works under Construction	4.8	<u>43,604,507,425</u>	<u>64,778,856,563</u>
Total Fixed Assets		<u>263,256,323,599</u>	<u>283,612,759,317</u>
INTANGIBLE ASSETS			
Deferred Charges	2.8, 4.9	19,789,110,979	21,475,624,083
Royalty on Real Property Services – Net	2.9, 4.10	<u>291,518,284</u>	<u>297,855,638</u>
Total Intangible Assets		<u>20,080,629,263</u>	<u>21,773,479,721</u>
OTHER ASSETS			
Sinking Fund for Redemption of Long Term Debts	2.10, 4.11	16,964,236,969	25,774,626,361
Loan to the Cooperatives Promotion Department	4.12	<u>20,462,684</u>	<u>34,762,684</u>
Total Other Assets		<u>16,984,699,653</u>	<u>25,809,389,045</u>
TOTAL ASSETS		<u><u>382,086,128,975</u></u>	<u><u>404,901,769,971</u></u>

The accompanying notes are an integral part of these financial statements.

ELECTRICITY GENERATING AUTHORITY OF THAILAND
BALANCE SHEETS
AS AT SEPTEMBER 30, 2002 AND 2001

	Remark	2002 Baht	2001 Baht (Restated)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short Term Loans	2.11	—	7,802,065,941
Electricity Purchased Payable	4.13	15,550,946,725	14,405,036,558
Accrued Remittance to the Ministry of Finance	4.14	9,555,000,000	7,514,000,000
Other Accounts Payable		14,533,263,087	21,823,332,264
Current Portion of Long Term Debts	2.11, 2.7	22,804,069,002	27,825,563,955
Accrued Borrowing Costs		3,070,079,795	3,846,231,678
Other Current Liabilities	4.15	<u>7,398,323,571</u>	<u>6,204,171,994</u>
Total Current Liabilities		<u>72,911,682,180</u>	<u>89,420,402,390</u>
LONG-TERM LIABILITIES	2.11, 2.7, 4.16	<u>159,489,337,059</u>	<u>183,721,889,879</u>
OTHER LIABILITIES			
Provident Fund	2.12, 4.17	23,517,984	22,935,046
Deferred Interest on Long Term Debts	4.16	8,036,900	8,371,800
Provision Liabilities for Mine Reclamation	2.13, 4.18	1,444,691,317	1,462,106,608
Deferred Contributions	2.14, 4.19	<u>2,127,162,103</u>	<u>2,057,567,760</u>
Total Other Liabilities		<u>3,603,408,304</u>	<u>3,550,981,214</u>
TOTAL LIABILITIES		<u>236,004,427,543</u>	<u>276,693,273,483</u>
EQUITY			
Contribution from the Government	4.20	10,396,746,864	10,459,079,626
Surplus from Contributions	2.6, 4.21	3,004,186,732	2,907,979,729
Surplus from Royalty on Real Property Service		474,767,280	474,767,280
Retained Earnings			
Appropriated			
Capital Expenditure Appropriation		80,186,366,913	80,186,366,913
Unappropriated		41,750,880,400	23,911,549,697
Welfare Fund	2.15, 4.22	256,192,450	256,192,450
Specific Purpose Funds	2.16, 4.23	<u>10,012,560,793</u>	<u>10,012,560,793</u>
TOTAL EQUITY		<u>146,081,701,432</u>	<u>128,208,496,488</u>
TOTAL LIABILITIES AND EQUITY		<u>382,086,128,975</u>	<u>404,901,769,971</u>

The accompanying notes are an integral part of these financial statements.

(Signed) SOMCHAI RICHUPAN
(SOMCHAI RICHUPAN)

Chairman

(Signed) SITTHIPORN RATANOPAS
(SITTHIPORN RATANOPAS)

Governor

ELECTRICITY GENERATING AUTHORITY OF THAILAND
STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	Remark	2002 Baht	2001 Baht (Restated)
OPERATING REVENUES			
Electric Energy Sales	2.1	207,198,062,905	185,194,069,863
Less : Social Contributions		<u>97,014,193</u>	<u>122,329,216</u>
Total Operating Revenues		<u>207,101,048,712</u>	<u>185,071,740,647</u>
OPERATING EXPENSES			
Electricity Purchased	4.24	93,889,753,334	84,436,995,439
Fuel	4.24	53,032,172,336	54,224,254,797
Other Energy Generating Expenses		9,791,423,890	9,920,593,785
Transmission Expenses		3,488,403,762	2,918,051,228
Administrative and General Expenses		5,622,759,726	4,535,153,689
Depreciation		<u>13,076,982,734</u>	<u>12,348,257,151</u>
Total Operating Expenses		<u>178,901,495,782</u>	<u>168,383,306,089</u>
OPERATING INCOMES		<u>28,199,552,930</u>	<u>16,688,434,558</u>
OTHER REVENUES			
Profit on Sale of Ratchaburi Power Plants Project	4.25	647,633,753	2,203,777,008
Bank Interests	2.2	830,017,725	1,580,880,911
Profit from Services		446,862,171	518,713,793
Gains on Foreign Exchange	4.26	4,224,926,625	2,226,366,670
Share of Profit from Subsidiary and Associated Companies	4.27	2,140,036,035	471,695,458
Others		<u>340,375,222</u>	<u>1,273,116,235</u>
Total Other Revenues		<u>8,629,851,531</u>	<u>8,274,550,075</u>
OTHER EXPENSES			
Loss on Disposal of Assets		178,637,017	158,591,119
Borrowing Costs	2.17, 4.28	8,777,543,245	9,983,958,929
Others	4.29	<u>522,893,496</u>	<u>549,108,014</u>
Total Other Expenses		<u>9,479,073,758</u>	<u>10,691,658,062</u>
NET INCOME	4.30	<u>27,350,330,703</u>	<u>14,271,326,571</u>

The accompanying notes are an integral part of these financial statements.

(Signed) SOMCHAI RICHUPAN
(SOMCHAI RICHUPAN)

Chairman

(Signed) SITTHIPORN RATANOPAS
(SITTHIPORN RATANOPAS)

Governor



ELECTRICITY GENERATING AUTHORITY OF THAILAND
STATEMENTS OF RETAINED EARNINGS
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	2002 Baht	2001 Baht (Restated)
UNAPPROPRIATED RETAINED EARNINGS		
AT BEGINNING OF YEAR	23,911,549,697	15,992,315,435
Add (Less): Adjustments		
Net profit of Specific Purpose Funds Year 2000	–	636,150,303
Share of Profit from Subsidiary Company and Associated Company Previous Year 2000	–	(2,436,242,612)
	23,911,549,697	14,192,223,126
Increase in Appropriation to the Ministry of Finance Year 2000	–	(38,000,000)
Decrease in Appropriation to the Ministry of Finance Year 2001	44,000,000	–
UNAPPROPRIATED RETAINED EARNINGS AT BEGINNING OF YEAR AFTER ADJUSTMENTS	23,955,549,697	14,154,223,126
Add: Net Income for the year	27,350,330,703	14,271,326,571
	51,305,880,400	28,425,549,697
Less: Provision for Appropriation to the Ministry of Finance	(9,555,000,000)	(4,514,000,000)
UNAPPROPRIATED RETAINED EARNINGS AT END OF YEAR	41,750,880,400	23,911,549,697

The accompanying notes are an integral part of these financial statements.

ELECTRICITY GENERATING AUTHORITY OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	Remark	2002 Baht	2001 Baht (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		<u>27,350,330,703</u>	<u>14,271,326,571</u>
Adjustments to reconcile net income to net cash provided by operating activities			
Operating activities			
Depreciation		13,770,810,326	13,115,353,897
Amortization of land rights		623,883,769	300,462,820
Amortization of deferred charges of the lignite mine		4,211,224,593	3,895,609,079
Amortization of royalty on real property services		6,337,354	6,337,354
Bad and doubtful debts		(85,262,534)	99,410,472
Allowance for obsolescence on materials and supplies		194,281,343	228,212,332
Share of profit from subsidiary and associated companies		(2,140,036,035)	(471,695,458)
Loss on disposal of assets		178,637,017	158,591,119
Profit on sale of Ratchaburi Power Plants project		(647,633,753)	(2,203,777,008)
Revenue from deferred contributions		(52,799,293)	(53,834,944)
Gains on foreign exchange		(4,590,196,008)	(1,475,986,201)
Decrease (Increase) in assets			
Trade accounts receivable		(1,453,367,632)	2,148,677,446
Other accounts receivable		(281,116,002)	34,660,703
Materials and supplies		612,616,875	(1,493,197,735)
Other current assets		(607,560,972)	(320,145,360)
Deferred charges of the lignite mine		(2,590,578,551)	(2,633,936,222)
Loan to the Cooperatives Promotion Department		14,300,000	—
Increase (Decrease) in liabilities			
Electricity purchased payable		1,145,910,167	5,099,531,360
Other accounts payable		(3,856,430,896)	(897,360,722)
Accrued borrowing costs		(776,486,783)	(779,658,012)
Other current liabilities		1,194,837,791	(665,692,662)
Provident fund		582,938	2,191,181
Provision liabilities for mine reclamation		(17,415,291)	49,379,819
Remittance to the Ministry of Finance payable		(7,470,000,000)	(16,620,000,000)
		<u>(2,615,461,577)</u>	<u>(2,476,866,742)</u>
Net cash inflows from operating activities		<u>24,734,869,126</u>	<u>11,794,459,829</u>

The accompanying notes are an integral part of these financial statements.

ELECTRICITY GENERATING AUTHORITY OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001

	Remark	2002 Baht	2001 Baht (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in short-term investments in fixed deposits		1,563,458,153	1,112,827,522
Dividend received		986,934,155	401,320,986
Cash on sale of common shares		–	2,175,000,000
Cash on disposal of assets		100,796,273	163,191,622
Cash on sale of Ratchaburi Power Plants project		18,715,965,000	30,453,414,259
Capital expenditure (including interest)		(13,885,028,195)	(19,273,327,011)
Consumers contribution		122,393,637	51,490,592
Surplus from contributions		<u>70,253,777</u>	<u>80,631,220</u>
Net cash inflows from investing activities		<u>7,674,772,800</u>	<u>15,164,549,190</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease (Increase) in sinking fund for redemption of long term debts		8,810,389,392	(9,207,640,741)
Repayment of short term loans		(7,761,045,773)	(15,598,940,350)
Short term loans received		–	21,608,423,500
Repayment of long term liabilities		(37,084,599,388)	(41,130,015,055)
Long term liabilities received		12,065,441,732	7,952,103,866
Repayment of finance lease liabilities		<u>(6,239,791)</u>	<u>–</u>
Net cash outflows from financing activities		<u>(23,976,053,828)</u>	<u>(36,376,068,780)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		8,433,588,098	(9,417,059,761)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>14,183,460,317</u>	<u>23,600,520,078</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	2.18, 4.1	<u><u>22,617,048,415</u></u>	<u><u>14,183,460,317</u></u>
ADDITIONAL CASH FLOWS INFORMATION:			
Cash payment during the year			
Interest expenses		12,443,359,422	14,388,769,790

The accompanying notes are an integral part of these financial statements.

ELECTRICITY GENERATING AUTHORITY OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001

1. GENERAL INFORMATION

Electricity Generating Authority of Thailand (EGAT) was established by the Electricity Generating Authority of Thailand Act 1968 and subsequent amendments. EGAT is a juristic person with the following objectives:

1.1 To generate, acquire, transmit or distribute electric energy to:

- The Metropolitan Electricity Authority (MEA), the Provincial Electricity Authority (PEA) or other electricity authorities under the law thereon;
- Other electric energy consumers as prescribed by a Royal Decree;
- Neighbouring countries.

1.2 To undertake various activities concerning electric energy, energy sources deriving from natural resources and undertake business concerning electric energy and other businesses concerning or related to the activities of EGAT, or collaborate with other persons for the said activities.

1.3 To produce and sell lignite, or chemicals derived from lignite.

All properties, debts, rights and liabilities as well as other activities of the Yanhee Electricity Authority, the Lignite Authority and the Northeast Electricity Authority were transferred to EGAT. The said properties, when net of debts, became the capital of EGAT.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 REVENUE FROM ENERGY SALES

Revenue from energy sales is recognized according to metered delivery units at the selling point under the contract.

2.2 INTEREST RECEIVED

Interest received is recognized on a proportional basis according to the time and rate of return on assets.

2.3 ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts is assessed by reference to the estimated losses arising from irrecoverable debts, exclusive of government agencies and state enterprises, which have been based on historical results of collection and the present events pertaining to trade accounts receivable at the end of the period. The allowance for doubtful accounts has been calculated on the following basis.

Time Overdue	Percentage of Allowance for Doubtful Accounts
Over 6 months – 1 year	50%
Over 1 – 2 years	75%
Over 2 years	100%

2.4 INVENTORIES

2.4.1 Fuel Oil is shown at average cost.

2.4.2 Lignite is shown at average cost.

2.4.3 Major spare parts are shown at average cost less provisions designed to write off the parts on a straight line basis over the useful lives of the plant.

2.4.4 Spare parts for mine equipment are shown at average cost less provisions for obsolescence of stocks which have not moved for one year or more. The provisions have been calculated at the following rates:

No movement within	Valued ≤ Baht 100,000	Valued > Baht 100,000
1 – 2 years	5%	5%
Over 2 – 5 years	15%	10%
Over 5 – 7 years	25%	20%
Over 7 – 10 years	75%	35%
Over 10 years	100%	50%

2.4.5 General materials and supplies are shown at average cost less provisions for obsolescence of stocks which have not moved for one year or more. The provisions have been calculated at the following rates:

No movement within	Valued ≤ Baht 40,000	Valued > Baht 40,000
1 – 2 years	15%	10%
Over 2 – 5 years	25%	20%
Over 5 – 7 years	50%	30%
Over 7 – 10 years	75%	40%
Over 10 years	100%	50%

2.5 INVESTMENT IN SUBSIDIARY AND ASSOCIATED COMPANIES

EGAT accounts for investment in its subsidiary and associated companies by the equity method.

2.6 LAND, BUILDINGS, PLANT AND EQUIPMENT - NET

Fixed assets are shown at cost on the date of acquisition or completion of construction after deduction of accumulated depreciation.

Depreciation of fixed assets is provided on a straight-line basis by reference to historical cost over their estimated useful lives. No allowance is made for residual value or decommissioning costs.

The principal rates of depreciation used are:

Dams	1.25%	to	1.33%
Power plants	4%	to	7.5%
Structures	4%	to	10%
Transmission system	2.5%	to	4%
Mining equipment	4%	to	20%
Other plants and equipment	5%	to	25%

Depreciation of the Srinagarind, Bang Lang, Vajiralongkorn, Rajjaprabha and Pak Mun dams is included in the statement of income only to the extent that it relates to power generation. The remaining portion relating to irrigation is deducted from capital contribution for supporting construction of these dams.

Donated assets are accounted for as fixed assets and the credit included under surplus from contributions.

Depreciation of donated assets are recognized as an operating expense in the statement of income if the assets generate income or are debited against surplus from contributions if they are non revenue generating.

2.7 ASSETS AND LIABILITIES UNDER FINANCING LEASE AGREEMENT

Assets and liabilities under financing lease agreements are stated at a fair price on the date that the agreement is signed or the present value of the minimum amount to be paid under the agreement, whichever is lower. A portion of lease payments is recognized as a financial expense and the remaining part deducted from the principle over the lease term. Finance lease assets are depreciated by the straight-line method over the estimated useful lives of each asset provided that, if the ownership of the assets is not transferred by the end of the lease term, depreciation is based on the lower of the useful life of the asset and the lease term.

2.8 DEFERRED CHARGES

2.8.1 Land Rights

Land rights, which confer the right, to use areas of land but which do not give title to EGAT, are presented as deferred charges and amortized over the expected useful lives of the related assets.

2.8.2 Deferred Charges of the Lignite Mine

2.8.2.1 Overburden Removal Costs

Overburden removal costs include depreciation of related equipment and a proportion, based on the ratio that the volume of overburden removed bears to lignite production, of the administrative expenses at the mine site.

The costs of overburden removal expended in each year are calculated as the product of the weighted average cost per cubic metre of overburden removed, the quantity of lignite extracted from the mine and the stripping ratio of 6.8:1 which is the ratio that the total volume of calculated overburden for the whole deposit bears to the total economically mineable reserves.

2.8.2.2 Exploration and Preliminary Development Costs

The exploration and preliminary development costs are written off in the year in which they are incurred except where they relate to a project included in the Power Development Plan and Long-Term Mining Plan. In such cases, these costs are deferred charges and amortized over the life of the mine in the proportion that the quantity of lignite extracted during the year bears to the total usable lignite reserve.

2.8.2.3 Resettlement Costs

Resettlement costs expended in each year are calculated by dividing the total actual resettlement costs by the total lignite mineable reserves over the useful lives of the power plants multiplied by the quantity of lignite extracted during the year.

2.8.2.4 Maintenance Expenses

Expenditures on reconditioning of 85 tonne dump trucks are deferred charges and amortized in the proportion that hours of usage bear to the total hours of usage in one life cycle of reconditioning.

2.9 ROYALTY ON REAL PROPERTY SERVICES - NET

With the approval of the Ministry of Finance, EGAT has been entitled to use the Sirikit dam and surrounding area without charge and in 1990 set up a Royalty on Real Property Services account recognizing partial cost of the dam at Baht 474.77 million. The amount which has been debited to the account equates to the benefits derived from power generation and the accumulated depreciation of Baht 100.86 million written off up to 1989 has been deducted from this amount. The balance of Baht 373.91 million is being amortized over 59 years which was the remaining balance of the estimated useful life of the dam.

2.10 SINKING FUND FOR REDEMPTION OF LONG TERM DEBTS

EGAT has set up a sinking fund for the redemption of certain loans which are repayable in large sums. Payments into the fund are made on a planned basis, taking into account EGAT's financial and economic circumstances. Funds are held in fixed deposit accounts separate from operative accounts. By a resolution of the Board of Directors, if EGAT faces liquidity problems it needs not make payments into the fund and may borrow from the fund if necessary.

2.11 FOREIGN CURRENCIES

Transactions dominated in foreign currencies are translated into Thai Baht at the Bank of Thailand's reference exchange rates prevailing on the transaction dates. Assets and liabilities in foreign currencies are translated into Baht at the exchange rates at the end of accounting period. Gains or losses from foreign exchange are recognized as either revenue or expense in the year in which they are incurred.

2.12 PROVIDENT FUND

The Provident Fund was established to help employees when they leave employment of EGAT. EGAT makes monthly payments to the fund at the rate of 10% of salary of employees who are members. This amount is recognized as an expense in the statement of income and the accounting transactions of the fund have been consolidated in the financial statement. The fund's revenues and expenses are recognized as revenues and expenses of EGAT.

2.13 PROVISION LIABILITIES FOR MINE RECLAMATION

Provision Liabilities for Mine Reclamation was established to ensure that there is a fund available for reclamation work at lignite mine in Mae Moh district, Lampang province. According to the Mining Act, EGAT is obliged to carry out reclamation work when the mine is closed and because of the certainty of its occurrence, amounts set aside for this work are recognized as provisions. Such provisions are recognized as expense in EGAT's statement of income and are calculated by taking that proportion of the total estimated cost of reclamation work, adjusted by the annual CPI (Consumer Price Index) rate of inflation, that the quantity of lignite extracted during the year bears to the total economically mineable reserves.

2.14 DEFERRED CONTRIBUTIONS

2.14.1 Contributions for Construction Projects

Cash contributions received from EGAT's direct customers towards the cost of certain construction projects, which will belong to EGAT after completion of the projects, are accounted for as Deferred Contributions and released to revenue over the useful lives of the related assets.

Cash contributions received from independent power producers towards the cost of certain construction projects, which will belong to EGAT after completion of the projects, are accounted for as Deferred Contributions and released to revenue over the period of the power purchase contracts.

The value of contributed assets constructed by independent power producers which have been transferred to EGAT are accounted for as EGAT's assets and contra with Deferred Contributions which are released to revenue over the period of the power purchase contracts.

2.14.2 Foreign Grants

Grants received for expenditures are recognized as revenues when the expenditures are incurred.

Grants received for acquisition of fixed assets or inventories are accounted as deferred grants and are recognized as revenues over the useful lives of the assets or as the inventory is used.

2.15 WELFARE FUND

The Welfare Fund is established for the employee's welfare with EGAT making payments to the fund. Such payments are recognized as expenses in the statement of income and the accounting transactions of the fund have been consolidated in the financial statements. The fund's revenues and expenses are recognized as revenues and expenses of EGAT.

2.16 SPECIFIC PURPOSE FUNDS

EGAT has established a number of specific purpose funds, namely the Property Self Insurance Sinking Funds, EGAT Fund for Developing Affected People's Quality of Life after Project Construction, Human Resource Management Fund and Fund for Conferences on the Electric Power Supply Industry. The assets, liabilities and balances of these funds have been included in the balance sheets, and the revenues and expenses of the funds have been consolidated in the statement of income.

2.16.1 Property Self Insurance Sinking Funds

EGAT has set up Property Self Insurance Sinking Funds to cover insurance for material damage to power plant, heavy equipment, aeroplane, vehicle, building, and for employees who encounter with hazards or illnesses by performing their duties. The premiums are calculated so as to approximate to premiums that would be payable to an insurance company.

2.16.2 EGAT Fund for Developing Affected People's Quality of Life after Project Construction

EGAT Fund for Developing Affected People's Quality of Life after Project Construction was established in 1995, for helping affected people after completion of dams, mines, power plants and transmission lines constructed by EGAT. The interest earned from the Fund is utilized for this purpose. The initial amount transferred to the Fund in 1996 of Baht 40 million was recognized as expense in EGAT's statement of income.

2.16.3 Human Resource Management Fund

The Human Resource Management Fund was set up in 1998 by making a provision of 10% (Baht 874 million) of the profit realized on the sale of shares in Electricity Generating Public Company Limited. The Fund is utilized for compensation payable to employees who are affected by the Government's privatization policy and who join the Mutual Separation Scheme.

2.16.4 Fund for Conferences on the Electric Power Supply Industry

In November 1998, the 12th Conference on the Electric Power Supply Industry (CEPSI) was organized by EGAT on behalf of the host nation Thailand. CEPSI is a biennial conference and is hosted on a rotational basis by the countries in the Association of the Electricity Supply Industry of East Asia and Western Pacific (AESIEAP).

The Board of Directors of EGAT resolved that the surplus revenue of Baht 31.82 million realized from the conference should be deposited in a separate bank account to finance any costs incurred by EGAT in organizing or attending future power conferences.

2.17 BORROWING COSTS

Interest, commitment charges, and other expenses on long term debts incurred during works under construction period are capitalized while those incurred after the completion of construction period are expensed.

Interest, commitment charges, and other expenses on debts incurred for working capital are expensed.

2.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as presented in the cash flow statement comprise cash in current accounts, saving accounts and short term fixed deposits (not more than 3 months) to which EGAT has full access without any restriction.

3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES AND FUNDAMENTAL ERROR

3.1 CHANGE IN ACCOUNTING POLICY

For the year 2002, EGAT reclassified its Mine Reclamation sinking Fund from a specific purpose sinking fund in Equity to a provision for mine reclamation, so as to be in conformity with generally accepted accounting principles, as the liability was certain to occur because according to the Mining Act, EGAT has to carry out reclamation work when the mine is closed. In accordance with generally accepted accounting principles, EGAT has retroactively adjusted this change in the comparative financial statements for the year 2001. This has resulted in an increase in net profit at September 30, 2001 of Baht 40.51 million by the inclusion of the fund's bank interest in revenue in EGAT's Statement of Income. The September 30, 2002 brought forward-retained earnings balance has been increased by the same amount.

3.2 CHANGE IN ACCOUNTING ESTIMATES

For the year 2002, EGAT has changed accounting estimation as the following:

3.2.1 Exploration and Preliminary Development Costs

EGAT has changed the calculation for the annual charge of exploration and preliminary development cost, for units 1 - 13 of Mae Moh power plant, from taking that proportion of the quantity of lignite extracted to the total remaining amount of lignite to the proportion of the quantity of lignite extracted to the total usable lignite reserve. The change in accounting estimate has resulted in an increase in net profit of Baht 11.74 million for the accounting period ended September 30, 2002.

3.2.2 A Provision for Mine Reclamation

Formerly, a provision was calculated by taking the proportion of the total estimated cost of reclamation work to the total economically mineable reserve. For the year 2002, EGAT revised the amount of the total estimated cost of reclamation work and the total economically mineable reserves. Thus, provision for mine reclamation work in a unit per tonne for Mae Moh mine decreased from Baht 7.52 to Baht 6.07 and increased for Krabi mine from Baht 4.25 to Baht 8.63. The provision for the current year for Mae Moh mine and a balance of provision for Krabi mine were reduced by Baht 21.31 million and Baht 28.24 million respectively, which resulted in an increase in net income of Baht 49.55 million for the accounting period ended September 30, 2002.

3.3 FUNDAMENTAL ERROR

In prior years, EGAT did not deduct the gain on sale of power plants to subsidiary and associated companies from the share of profit from those companies, which being intercompany transactions, should have been eliminated to accord with revenue recognition under the equity method.

For comparative purposes, in 2002, EGAT has added back the gain on sale of power plants from the share of profit from subsidiary and associated companies under the equity method and retroactively adjusted the comparative financial statements for the year 2001. The adjustment has resulted in a decrease in investment in subsidiary and associated companies, net income and brought forward retained earnings as at September 30, 2002 of Baht 4,839.55 million, Baht 410.63 million and Baht 4,428.92 million respectively and as at September 30, 2001 of Baht 4,428.92 million, Baht 1,992.68 million and Baht 2,436.24 million respectively.

4. SUPPLEMENTARY INFORMATION

4.1 CASH AND BANK BALANCES

	(Unit : Million Baht)	
	2002	2001
Cash in hand	12.88	14.46
Cash at banks		
Current accounts	(63.97)	(83.08)
Saving accounts	12,574.86	11,662.56
Fixed deposits not more than 3 months		
without any restriction	10,093.28	2,589.52
Total	22,617.05	14,183.46

For the year 2002, cash and bank balances of Baht 22,617.05 million related to working capital of EGAT, provident fund and welfare fund and specific funds in the amounts of Baht 17,489.62 million, Baht 2.79 million, Baht 30.09 million, Baht 5,094.55 million respectively.

4.2 SHORT-TERM INVESTMENTS IN FIXED DEPOSITS

(Unit : Million Baht)

	2002	2001
Cash at banks		
Fixed deposits		
– more than 3 months to 6 months	8,277.46	7,117.92
– more than 6 months	<u>709.65</u>	<u>3,432.65</u>
Total	<u>8,987.11</u>	<u>10,550.57</u>

As at September 30, 2002 and 2001 the above fixed deposits of Baht 8,987.11 million and Baht 10,550.57 million included Baht 508.74 million and Baht 3,112.21 million of 6 month fixed deposits for the Property Self Insurance Sinking Funds with Krung Thai Bank Public Company Limited which are pledged at Bang Krui branch as collateral for overdraft facilities of Baht 508 million and Baht 3,000 million respectively.

4.3 TRADE ACCOUNTS RECEIVABLE - NET

(Unit : Million Baht)

	2002	2001
Energy sales receivable – state enterprises and government agencies		
Metropolitan Electricity Authority	7,206.28	8,225.97
Provincial Electricity Authority	13,280.89	11,648.86
Government agencies	<u>46.67</u>	<u>62.83</u>
	20,533.84	19,937.66
Energy sales receivable – private companies	447.24	591.01
Services and others receivable – government agencies	27.01	27.21
Services and others receivable – private companies	<u>304.54</u>	<u>241.42</u>
Total	21,312.63	20,797.30
Less : Allowance for doubtful accounts	<u>5.15</u>	<u>90.96</u>
	21,307.48	20,706.34
Automatic energy price adjustment (Ft) receivable	<u>9,583.31</u>	<u>8,645.28</u>
At September 30,	<u>30,890.79</u>	<u>29,351.62</u>

For the year 2002, trade accounts receivable - net of Baht 30,890.79 million can be analyzed as follows:

(Unit : Million Baht)

Outstanding Period	State enterprises and Government Agencies		Private Companies		Total		2002	2001
	Energy Sales	Services and Others	Energy Sales	Services and Others	Energy Sales	Services and Others		
Current portion	20,533.41	16.36	427.33	225.94	20,960.74	242.30	21,203.04	–
Not more than 6 months	0.07	3.18	19.85	72.58	19.92	75.76	95.68	20,689.42
Over 6 months - 1 year	0.36	–	–	1.05	0.36	1.05	1.41	12.12
Over 1 year - 2 years	–	3.38	0.06	0.13	0.06	3.51	3.57	4.02
Over 2 years	<u>–</u>	<u>4.09</u>	<u>–</u>	<u>4.84</u>	<u>–</u>	<u>8.93</u>	<u>8.93</u>	<u>91.74</u>
	20,533.84	27.01	447.24	304.54	20,981.08	331.55	21,312.63	20,797.30
Less : Allowance for doubtful accounts	<u>–</u>	<u>–</u>	<u>0.05</u>	<u>5.10</u>	<u>0.05</u>	<u>5.10</u>	<u>5.15</u>	<u>90.96</u>
	<u>20,533.84</u>	<u>27.01</u>	<u>447.19</u>	<u>299.44</u>	<u>20,981.03</u>	<u>326.45</u>	<u>21,307.48</u>	<u>20,706.34</u>
Automatic energy price adjustment (Ft) receivable					9,583.31	–	9,583.31	8,645.28
At September 30,					<u>30,564.34</u>	<u>326.45</u>	<u>30,890.79</u>	<u>29,351.62</u>

4.4 OTHER ACCOUNTS RECEIVABLE - NET

(Unit : Million Baht)

	2002	2001
Employee accounts receivable	643.74	633.16
Other accounts receivable	848.12	577.59
Less : Allowance for doubtful accounts	<u>103.19</u>	<u>102.64</u>
At September 30,	<u>1,388.67</u>	<u>1,108.11</u>

4.5 MATERIALS AND SUPPLIES - NET

(Unit : Million Baht)

	2002	2001
Fuel oil	1,772.74	1,804.12
Lignite stock	315.34	307.50
Spare parts, other materials and supplies	6,294.92	8,404.47
Less : Allowance for obsolescence	<u>2,764.46</u>	<u>2,570.18</u>
At September 30,	<u>5,618.54</u>	<u>7,945.91</u>

4.6 INVESTMENT IN SUBSIDIARY AND ASSOCIATED COMPANIES

(Unit : Million Baht)

Company	Business	Relationship		Paid - Up		Investment		Investment				Dividend	
		2002	2001	Share Capital		Portion		Cost Method		Equity Method		2002	2001
Ratchaburi Electricity Generating Holding Public Company	Investment in other companies	Subsidiary	Associate	14,500.00	14,500.00	45.00%	45.00%	6,525.00	6,525.00	6,763.97	6,397.06	652.50	-
Electricity Generating Public Company	Investment in other companies	Associate	Associate	5,264.65	5,259.47	25.47%	25.43%	<u>1,587.55</u>	<u>1,587.55</u>	<u>2,899.66</u>	<u>2,113.47</u>	<u>334.43</u>	401.32
								<u>8,112.55</u>	<u>8,112.55</u>	<u>9,663.63</u>	<u>8,510.53</u>		

4.6.1 Investment in Ratchaburi Electricity Generating Holding Public Company Limited

On November 30, 1999, the Cabinet approved a resolution on EGAT's private participation plan for the Ratchaburi Power Project. According to the plan, EGAT would set up the Ratchaburi Electricity Generating Holding Company Limited (RHCO) with EGAT holding 100% equity. RHCO would then set up a wholly owned subsidiary, the Ratchaburi Electricity Generating Company Limited (RGCO) to acquire the power plant and related assets of the Ratchaburi Power Project including thermal power plant, combined cycle power plant, common facilities and land. EGAT would be required to mobilize funds from the public by listing RHCO's share in the Stock Exchange of Thailand (SET) by September 2000. Its shareholding in RHCO would thereafter be reduced to between 44.99% and 49.99%.

On March 7, 2000, RHCO was registered as a limited company with powers to invest in other companies of similar objectives and activities. RHCO had an initial registered capital of Baht 300 million fully paid up at par value of Baht 10 per share. On March 20, 2000, RGCO was registered as a limited company with objectives to operate as electric power generator and undertake other related business. RHCO holds 100% of the fully paid common shares in RGCO.

On August 18, 2000, RHCO was registered as a public company and increased its registered capital of Baht 300 million by Baht 14,200 million to make a total capital of Baht 14,500 million. On August 23, 2000, RHCO issued 840 million common shares of Baht 10 each fully paid which provided further capital of Baht 8,400 million.

As at September 30, 2000, RHCO had an authorized capital of Baht 14,500 million. The issued and fully paid share capital was 870 million common shares. EGAT has effective control over RHCO and EGAT accounts for the investment in RHCO is an investment in subsidiary company.

In October 2000, EGAT had 870 million common shares of Baht 10 each amounting to Baht 8,700 million in RHCO and then EGAT sold 217.50 million common shares of Baht 10 each amounting to Baht 2,175 million to EGAT employees and their Registered Provident Fund. EGAT has retained 652.50 million common shares of Baht 6,525 million.

Between October 18 and 20, 2000, RHCO issued 580 million common shares at par value of Baht 10 per share by way of an Initial Public Offering (IPO) at Baht 13 per share. On October 26, 2000, all 1,450 million common shares were registered on the Stock Exchange of Thailand.

As at September 30, 2002, RHCO has registered common shares amounting to Baht 14,500 million comprising 1,450 million fully paid common shares. EGAT owns 652.50 million common shares (par value Baht 10 per share or Baht 6,525 million) which is 45% of the total fully paid common shares. EGAT has effective control over RHCO and EGAT accounts for the investment in RHCO is an investment in subsidiary company.

4.6.2 Investment in Electricity Generating Public Company Limited

As at September 30, 2002, Electricity Generating Public Company Limited (EGCO) had 525.47 million fully paid common shares in issue of Baht 10 each amounting to Baht 5,300 million. EGAT's investment at that date was 133.77 million common shares (cost was Baht 1,587.55 million) or 25.47% of the fully paid issued common shares. EGAT has significant influence but has not effective control over EGCO and EGAT accounts for the investment in EGCO is an investment in associated company.

4.7 LAND, BUILDINGS, PLANT AND EQUIPMENT - NET

(Unit : Million Baht)

	2002			2001
	Cost	Accumulated Depreciation	Net Book	Net Book
Land	6,968.27	—	6,968.27	6,963.61
Structure	15,232.99	8,858.01	6,374.98	6,196.58
Reservoir, dam and waterway	21,802.84	5,471.06	16,331.78	16,608.56
Power plant	191,491.12	83,221.26	108,269.86	117,018.63
Transmission system	103,539.42	27,848.53	75,690.89	65,700.02
Communication system	5,427.22	3,447.86	1,979.36	2,088.71
Coal handling system	4,587.49	2,868.33	1,719.16	1,877.86
Mine equipment	2,237.97	2,016.23	221.74	259.41
Aeroplane and helicopter	49.99	49.99	—	1.46
Transportation equipment				
– Transportation equipment	2,264.44	2,130.71	133.73	136.52
– Transportation equipment of financial lease	7.80	7.01	0.79	—
Other equipment				
– Other equipment	9,108.35	7,155.60	1,952.75	1,982.54
– Other equipment of financial lease	11.60	3.09	8.51	—
Total	<u>362,729.50</u>	<u>143,077.68</u>	<u>219,651.82</u>	<u>218,833.90</u>

Depreciation for the year 2002 amounting to Baht 13,961.12 million has been allocated as follows:

(Unit : Million Baht)

	2002	2001
Depreciation as shown in statement of income	13,076.98	12,348.26
Included in other lines on statement of income	448.92	488.90
Included in fuel cost in respect of items relating to lignite production	244.91	278.20
Capitalized in respect of items relating to projects under construction	57.04	81.57
Capitalized and charged against lignite mine development costs	66.94	96.94
Debited against capital contribution for benefits of multi-purpose dams	62.33	62.33
Debited against provision liabilities for mine reclamation	4.00	4.70
Total	<u>13,961.12</u>	<u>13,360.90</u>

4.8 WORKS UNDER CONSTRUCTION

Project	(Unit : Million Baht)	
	2002	2001
Lam Takhong Pumped Storage Project units 1 - 2	11,905.40	11,135.09
Ratchaburi Combined Cycle Power Plant Project block 3	7,112.70	22,066.49
Krabi Thermal Power Plant Project unit 1	9,746.24	7,971.93
Transmission System	11,066.56	21,106.82
Others	<u>3,773.61</u>	<u>2,498.53</u>
Total	<u>43,604.51</u>	<u>64,778.86</u>

For the year 2002, the works under construction relating to Ratchaburi Combined Cycle Power Plant Project blocks 1 - 3 had brought forward balances of Baht 22,066.49 million and during the year the works under construction increased net by Baht 1,502.51 million, bringing the total Baht 23,569 million. All of the completed Ratchaburi Combined Cycle Power Plant Project blocks 1 and 2 were transferred to Ratchaburi Electricity Generating Company Limited in accordance with the asset purchase agreement dated October 9, 2000 in the amount of Baht 16,456.30 million.

4.9 DEFERRED CHARGES

	Land Rights	Deferred Charges of the Lignite Mine	(Unit : Million Baht)	
			2002	2001
At October 1,	14,919.62	6,556.00	21,475.62	22,054.42
Add: Increase during the year	<u>491.08</u>	<u>2,657.52</u>	<u>3,148.60</u>	<u>3,617.27</u>
	15,410.70	9,213.52	24,624.22	25,671.69
Less: Amortized/Charged to production	<u>623.89</u>	<u>4,211.22</u>	<u>4,835.11</u>	<u>4,196.07</u>
At September 30,	<u>14,786.81</u>	<u>5,002.30</u>	<u>19,789.11</u>	<u>21,475.62</u>

The deferred charges of the lignite mine of Baht 5,002.30 million are as follows:

	Overburden Removal Costs	Exploration and Preliminary Development Costs	Resettlement Costs	Maintenance Costs	(Unit : Million Baht)	
					2002	2001
At October 1,	5,125.65	469.18	951.08	10.09	6,556.00	7,720.73
Add : Increase during the year	<u>2,657.52</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,657.52</u>	<u>2,730.88</u>
	7,783.17	469.18	951.08	10.09	9,213.52	10,451.61
Less : Charged to production	<u>4,146.55</u>	<u>12.50</u>	<u>48.94</u>	<u>3.23</u>	<u>4,211.22</u>	<u>3,895.61</u>
At September 30,	<u>3,636.62</u>	<u>456.68</u>	<u>902.14</u>	<u>6.86</u>	<u>5,002.30</u>	<u>6,556.00</u>

4.10 ROYALTY ON REAL PROPERTY SERVICES - NET

	(Unit : Million Baht)	
	2002	2001
Royalty on real property services in 1990	474.77	474.77
Less : Accumulated depreciation 1974 – 1989	<u>100.86</u>	<u>100.86</u>
Net book value of royalty on real property services	373.91	373.91
Less : Accumulated amortization since 1990	76.06	69.72
Amortization for the year	<u>6.34</u>	<u>6.34</u>
At September 30,	<u>291.51</u>	<u>297.85</u>

4.11 SINKING FUND FOR REDEMPTION OF LONG TERM DEBTS

	(Unit : Million Baht)	
	2002	2001
At October 1,	25,774.63	16,566.99
Add : Payments into the fund	6,883.17	10,867.95
Interest received	421.78	639.71
Gains from foreign exchange rate	—	227.22
	33,079.58	28,301.87
Less : Withdrawals to meet debt repayment	15,809.74	2,527.24
Losses from foreign exchange rate	305.60	—
At September 30,	16,964.24	25,774.63

4.12 LOAN TO THE COOPERATIVES PROMOTION DEPARTMENT

The loan to the Cooperatives Promotion Department arose because EGAT financed the Cooperatives Promotion Department to operate a number of specific cooperatives. Cooperative groups at 3 of EGAT's project sites received interest-free loans from the Cooperatives Promotion Department to support their members affected by the project construction.

	(Unit : Million Baht)	
	2002	2001
Cooperative group at Vajiralongkorn Project	7.76	7.76
Cooperative group at Mae Moh Mine Expansion Project for Mae Moh Power Plant units 8 and 9	0.70	15.00
Cooperative group at Lam Takhong Pumped Storage Project	12.00	12.00
Total	20.46	34.76

Cooperative groups at Vajiralongkorn and Mae Moh Mine Expansion Projects were financed with interest-free loans of Baht 13 million and Baht 15 million respectively with a payback period of 10 years from the date on which the Cooperative groups received the first amount from the Cooperatives Promotion Department. The cooperative groups at Vajiralongkorn Project and Mae Moh Mine Expansion Project have repaid Baht 5.24 million and Baht 14.30 million respectively.

In accordance with the agreement dated June 26, 1996, the Cooperative group at Lam Takhong Pumped Storage Project, would be financed with a total interest-free loan of Baht 23 million with a payback period of 15 years from the date on which the Cooperatives Promotion Department received funds from EGAT. Since 1996, EGAT has financed Baht 12 million to Cooperatives Promotion Department.

4.13 ELECTRICITY PURCHASED PAYABLE

	(Unit : Million Baht)	
	2002	2001
Neighbouring Countries' Supply		
Tenaga Nasional Berhad	13.75	10.05
Electricite du Laos	277.08	277.71
Houay Ho Power Company Limited	152.65	160.17
Theun Hinboun Power Company Limited	484.82	527.39
Independent Power Producers (IPP)		
Ratchaburi Electricity Generating Company Limited	5,126.31	3,694.33
Rayong Electricity Generating Company Limited	828.56	869.87
Khanom Electricity Generating Company Limited	762.32	683.96
Independent Power (Thailand) Company Limited	1,009.92	1,041.47
Tri Energy Company Limited	1,708.10	1,390.40
Bowin Power Company Limited	183.64	—
Small Power Producers (SPP)	5,003.80	5,749.69
Total	15,550.95	14,405.04



4.14 ACCRUED REMITTANCE TO THE MINISTRY OF FINANCE

The provision for appropriation to the Ministry of Finance for the year 2002 was Baht 9,555 million.

(Unit : Million Baht)

	Balance at Oct. 1, 2001	Current Year		Balance at Sept. 30, 2002
		Appropriation	Remitted	
Unpaid remittance for				
Net income for the year 2000	3,000.00	–	(3,000.00)	–
Net income for the year 2001	4,514.00	(44.00)	(4,470.00)	–
Net income for the year 2002 (Provision)	–	9,555.00	–	9,555.00
Total	7,514.00	9,511.00	(7,470.00)	9,555.00

4.15 OTHER CURRENT LIABILITIES

For the year 2002, there are included in other current liabilities of Baht 7,398.32 million the estimated costs to complete Ratchaburi Power Plant Project of Baht 849.57 million and deferred income of Baht 1,100.76 million relating to items which EGAT has not yet transferred to Ratchaburi Electricity Generating Company Limited comprising a fuel oil transportation system of Baht 400 million, which EGAT has still to construct, spare parts for the Ratchaburi Power Plant Project of Baht 516.85 million and fuel of Baht 183.91 million.

4.16 LONG-TERM LIABILITIES

(Unit : Million Baht)

	Long-Term Liabilities	Current Portion of Long-Term Liabilities	Balance	
			2002	2001
Long Term Debts	177,010.74	22,597.81	154,412.93	178,200.14
Suppliers' Credit	5,275.90	203.09	5,072.81	5,521.75
Finance Lease Liabilities	6.77	3.17	3.60	–
Total	182,293.41	22,804.07	159,489.34	183,721.89

The details of long term debts are:

(Unit : Million Baht)

	2002	2001
Local sources		
EGAT Bonds	79,452.91	84,652.91
Government Saving Bank	3,022.33	6,351.41
Ministry of Finance	129.71	133.21
Total – Local sources	82,604.95	91,137.53
Foreign sources		
Ministry of Finance	48.39	3,692.37
Bank and Commercial Institutions	16,750.97	29,600.56
Export – Import Banks	48,416.24	53,415.17
Commercial Banks	15,925.92	14,281.55
Floating Rate Bonds	219.37	224.66
EGAT's Bonds	13,044.90	13,359.21
Total – Foreign sources	94,405.79	114,573.52
Total	177,010.74	205,711.05
Less : Current portion of long term debts	22,597.81	27,510.91
Balance at September 30,	154,412.93	178,200.14

The local and foreign interest rate for the years 2002 and 2001 are in the range between 0.63% and 14.45%.

Included in the loans from the Ministry of Finance at September 30, 2002 is Baht 129.71 million of loans originating from KFW. By a resolution of the Cabinet, the repayment terms of these loans were deferred for eight years from 1975. Instalments of principal have been repaid since 1983. The payment of interest in respect of those eight years has also been deferred and is being paid by equal instalments over the remaining terms of the loans commencing in the year 1985. The amount of interest deferred at September 30, 2002 was Baht 8.04 million.

The details of outstanding foreign debts of the bank and commercial institutions and the export-import banks are as follows:

	(Unit : Million Baht)	
	2002	2001
Bank and Commercial Institutions		
International Bank for Reconstruction and Development (IBRD)	5,189.08	12,535.38
Japan Bank for International Cooperation (JBIC – OECF)	10,546.34	12,057.79
Asian Development Bank (ADB)	–	3,710.25
Kuwait Fund for Arab Economic Development (KFAED)	98.33	288.24
Nordic Investment Bank (NORDIC)	917.22	1,008.90
Total	<u>16,750.97</u>	<u>29,600.56</u>
Export–Import Banks		
Kreditanstalt Fur Wiederaufbau (KFW)	3,561.12	3,634.72
Japan Bank for International Cooperation (JBIC – EXIM Bank of Japan)	34,468.13	38,053.47
Export Development Corporation (EDC)	569.30	784.40
Swiss Mixed Credit II	134.45	189.63
Natexis Banques Populaires	9,683.24	10,752.95
Total	<u>48,416.24</u>	<u>53,415.17</u>

4.17 PROVIDENT FUND

	(Unit : Million Baht)	
	2002	2001
Assets		
Cash at banks	23.79	22.67
Accrued interest receivable	0.13	0.01
Account receivable – EGAT	0.07	0.27
Total	<u>23.99</u>	<u>22.95</u>
Liabilities and fund		
Provident fund	23.52	22.94
Revenues over expenses	0.47	0.01
Total	<u>23.99</u>	<u>22.95</u>
Retirement liabilities (if all members left)	23.99	22.95

4.18 PROVISION LIABILITIES FOR MINE RECLAMATION

	(Unit : Million Baht)			
	Mae Moh	Krabi	2002	2001
At October 1,	1,432.76	29.35	1,462.11	1,412.72
Add : Provision during the year	<u>92.54</u>	<u>1.56</u>	<u>94.10</u>	<u>111.70</u>
	1,525.30	30.91	1,556.21	1,524.42
Less : Mine reclamation expenses	79.28	–	79.28	57.61
Depreciation	<u>4.00</u>	<u>–</u>	<u>4.00</u>	<u>4.70</u>
	1,442.02	30.91	1,472.93	1,462.11
Less : Adjustment for Provision Liabilities				
Krabi Mine	<u>–</u>	<u>28.24</u>	<u>28.24</u>	<u>–</u>
At September 30,	<u>1,442.02</u>	<u>2.67</u>	<u>1,444.69</u>	<u>1,462.11</u>

4.19 DEFERRED CONTRIBUTIONS

	(Unit : Million Baht)			
	Consumers Contribution	Foreign Contribution	Total 2002	2001
At October 1,	2,056.85	0.72	2,057.57	2,059.91
Add : Received during the year	<u>122.39</u>	<u>–</u>	<u>122.39</u>	<u>51.49</u>
	2,179.24	0.72	2,179.96	2,111.40
Less : Recognized to other revenue	<u>52.08</u>	<u>0.72</u>	<u>52.80</u>	<u>53.83</u>
At September 30,	<u>2,127.16</u>	<u>–</u>	<u>2,127.16</u>	<u>2,057.57</u>

4.20 CONTRIBUTION FROM THE GOVERNMENT

	2002		(Unit : Million Baht)	
			2002	2001
Capital		<u>7,201.17</u>		<u>7,201.17</u>
Contribution for supporting construction of the Srinagarind, Bang Lang, Vajiralongkorn, Rajjaprabha and Pak Mun Dam		4,364.75		4,364.75
Less : Accumulated depreciation	1,106.84		1,044.51	
Depreciation for the year	<u>62.33</u>	<u>1,169.17</u>	<u>62.33</u>	<u>1,106.84</u>
		<u>3,195.58</u>		<u>3,257.91</u>
At September 30,		<u>10,396.75</u>		<u>10,459.08</u>

4.21 SURPLUS FROM CONTRIBUTIONS

Surplus from contributions is assets or cash received from foreign governments and financial institutions in the form of discount, special interest rate loans and grants to finance development activities of EGAT specifically identified by donors.

	(Unit : Million Baht)				
	Donated Assets	Discount Interest	Grants	Total 2002	2001
At October 1,	407.17	1,810.34	690.47	2,907.98	2,827.35
Add : Received during the year	<u>27.07</u>	<u>70.25</u>	<u>–</u>	<u>97.32</u>	<u>80.63</u>
	434.24	1,880.59	690.47	3,005.30	2,907.98
Less : Depreciation	<u>1.11</u>	<u>–</u>	<u>–</u>	<u>1.11</u>	<u>–</u>
At September 30,	<u>433.13</u>	<u>1,880.59</u>	<u>690.47</u>	<u>3,004.19</u>	<u>2,907.98</u>

4.22 WELFARE FUND

	(Unit : Million Baht)	
	2002	2001
Assets		
Cash at banks	30.09	44.57
Account receivable – employees	197.34	175.00
Accrued interest receivable	–	0.02
Building and equipment – net	54.29	58.44
Works under construction	0.35	–
Total	<u>282.07</u>	<u>278.03</u>
Liabilities and Fund		
Accrued expenses	0.02	0.06
Account payable	6.01	4.41
Welfare Fund	256.19	256.19
Revenues over expenses for the prior years	17.37	13.68
Revenues over expenses	2.48	3.69
Total	<u>282.07</u>	<u>278.03</u>

4.23 SPECIFIC PURPOSE FUNDS

	(Unit : Million Baht)					
	Property Self Insurance Sinking Funds	EGAT Fund for Developing Affected People's Quality of Life after Project Construction	Human Resource Management Fund	Fund for Conferences on the Electric Power Supply Industry	Total	
					2002	2001
Assets						
Cash in hand	0.27	–	–	–	0.27	0.29
Cash at banks	11,991.98	47.47	428.32	23.43	12,491.20	11,086.67
Accrued insurance premium	212.76	–	–	–	212.76	1,337.54
Accrued interest receivable	47.13	0.05	5.58	0.09	52.85	26.08
Other accounts receivable	–	1.77	–	–	1.77	5.94
Total	<u>12,252.14</u>	<u>49.29</u>	<u>433.90</u>	<u>23.52</u>	<u>12,758.85</u>	<u>12,456.52</u>
Liabilities and Funds						
Accrued claim	163.18	–	–	–	163.18	451.49
Provision for claim	675.59	–	–	–	675.59	433.57
Specific purpose funds	9,302.18	52.12	626.23	32.03	10,012.56	10,012.56
Revenues over (under)						
expenses year 2000 – 2001	1,772.67	(1.71)	(203.39)	(8.67)	1,558.90	636.15
Revenues over (under)						
expenses 2002	338.52	(1.12)	11.06	0.16	348.62	922.75
Total	<u>12,252.14</u>	<u>49.29</u>	<u>433.90</u>	<u>23.52</u>	<u>12,758.85</u>	<u>12,456.52</u>

4.24 ELECTRICITY PURCHASED AND FUEL

For the year 2002, the cost of purchased power of Baht 93,889.75 million and fuel expenses of Baht 53,032.17 million included interest arising out of Take or Pay contracts of Baht 34.71 million and Baht 106.21 million respectively in connection with the delays in completing the Ratchaburi Power Plants Project by EGAT and the delay in completing the natural gas pipeline from Ratchaburi to Wang Noi by Petroleum Authority of Thailand (PTT). In addition, the demand for natural gas was below the minimum quantity stipulated in the natural gas fuel supply agreement between PTT and the supplier of natural gas from Yadana natural gas field. Consequently, PTT had to prepay for the shortfall in gas supplied to the Ratchaburi Power Plants and incurred interest on the funds required to meet the prepayments. The Cabinet, by a resolution dated July 25, 2000, ordered EGAT, PTT, the Government and the economy to bear the interest costs in the proportion of 12.80%, 11.40%, 27.80% and 48% respectively. For the year 2002, PTT invoiced EGAT with the interest arising from the Take or Pay provision in the agreement amounting to Baht 140.92 million.

4.25 PROFIT ON SALE OF RATCHABURI POWER PLANTS PROJECT

On April 18, 2002, EGAT received Baht 18,715.97 million from Ratchaburi Electricity Generating Company Limited under the asset purchase agreement dated October 9, 2000 for the sale of the Ratchaburi Combined Cycle Power Plant units 1 and 2. EGAT subsequently refunded Baht 76.47 million, since Ratchaburi Electricity Generating Company Limited requested to self-supply Recommended Spare Parts. Ratchaburi Combined Cycle Power Plant units 1 and 2 facilities were transferred to Ratchaburi Electricity Generating Company Limited at Baht 17,942.44 million. The remaining deferred income of Baht 697.06 million relates to items which have not yet been transferred.

The details of Ratchaburi Power Plant project fixed assets which were transferred to Ratchaburi Electricity Generating Company Limited are as follows:

	(Unit : Million Baht)
Selling price of Ratchaburi Combined Cycle Power Plants Project blocks 1 and 2	17,942.44
Selling price of other equipment for Ratchaburi Thermal Power Plant units 1 and 2	<u>6.20</u>
	17,948.64
Less : Cost of fixed assets	<u>17,301.01</u>
Profit on sale of Ratchaburi Power Plants project	<u><u>647.63</u></u>

Cost of fixed assets sold amount of Baht 17,301.01 million comprises:

	(Unit : Million Baht)
Land, supplies and equipment	0.90
Spare parts	1,521.13
Works under construction of Ratchaburi Power Plant project (Reference Note 4.8)	16,456.30
Estimated costs for the completed works of Ratchaburi Combined Cycle Power Plant units 1 and 2	141.11
Decrease in estimated costs for the previous year	(231.86)
Compensation for late transfer from contractor	<u>(586.57)</u>
Total	<u><u>17,301.01</u></u>

4.26 GAINS (LOSSES) ON FOREIGN EXCHANGE

For the year 2002, an amount of Baht 4,267.45 million is recorded as gains on foreign exchange.

	Shown in Statement of Income		Total	
	Fuel Cost	Gains (Losses) on Foreign Exchange	2002	2001
Gains (Losses) arising on repayment of loans	12.21	790.74	802.95	516.33
Gains (Losses) on rate of exchange from refinancing	—	10.59	10.59	(152.63)
Gains (Losses) on translation at the end of years	29.49	3,747.17	3,776.66	1,112.29
Gains (Losses) on exchange – others	<u>0.82</u>	<u>(323.57)</u>	<u>(322.75)</u>	<u>628.70</u>
Total	<u><u>42.52</u></u>	<u><u>4,224.93</u></u>	<u><u>4,267.45</u></u>	<u><u>2,104.69</u></u>

4.27 SHARE OF PROFIT FROM SUBSIDIARY AND ASSOCIATED COMPANIES

For the year 2002, EGAT recognized the share of profit from its subsidiary and associated companies under the equity method at the amount of Baht 1,142.36 million from Ratchaburi Electricity Generating Holding Public Company Limited and Baht 997.68 million from Electricity Generating Public Company Limited, bringing totally Baht 2,140.04 million.

4.28 BORROWING COSTS

For the year 2002, the total borrowing costs of Baht 11,366.80 million has been allocated as follows:

	Interest Expenses	Commitment Charges	Other Expenses Relating to the Loans	(Unit : Million Baht)	
				2002	Total 2001
Capitalized to projects under construction	2,178.99	7.99	18.98	2,205.96	3,398.29
Included in fuel costs in the statement of income	361.06	–	22.24	383.30	299.56
Shown as borrowing costs in the statement of income	8,610.64	5.55	161.35	8,777.54	9,983.96
Total	<u>11,150.69</u>	<u>13.54</u>	<u>202.57</u>	<u>11,366.80</u>	<u>13,681.81</u>

4.29 OTHER EXPENSES

	(Unit : Million Baht)	
	2002	2001
Interest expenses (Loans for working capital)	521.62	548.21
Other expenses relating to the loans (Loans for working capital)	0.32	0.32
Interest for bank overdraft	<u>0.95</u>	<u>0.58</u>
Total	<u>522.89</u>	<u>549.11</u>

4.30 OPERATING RESULTS

The operating results for the years ended September 30, 2002 and 2001 are as follows:

	2002	2001 (Restated)	(Unit : Million Baht)	
			Increase/(Decrease) Amount	%
Operating revenues	207,101.05	185,071.74	22,029.31	11.90
Operating expenses	<u>178,901.50</u>	<u>168,383.30</u>	10,518.20	6.25
Operating incomes	28,199.55	16,688.44	11,511.11	68.98
Other revenues	8,629.85	8,274.55	355.30	4.29
Other expenses	<u>9,479.07</u>	<u>10,691.66</u>	(1,212.59)	(11.34)
Net income	<u>27,350.33</u>	<u>14,271.33</u>	13,079.00	91.65

The net income for the year 2002 increased by Baht 13,079 million. The operating incomes increased by Baht 11,511.11 million, due principally to an increase in electric energy sales of Baht 22,029.31 million but offset by an increase in electricity purchases of Baht 9,452.75 million. In 2001 electricity energy sales were depressed by Baht 12,915.42 million to compensate for the accrued automatic energy price adjustment (Ft) receivable under the former calculation of electricity energy rate for the period July to September 2000. Other revenues increased by Baht 355.30 million, due to the share of profit in subsidiary and associated companies decreasing in 2001 by Baht 1,992.68 million as a result of the restatement of the 2001 financial statements. Other expenses decreased by Baht 1,212.59 million.

4.31 RECLASSIFICATION IN FINANCIAL STATEMENTS

For the year 2002, EGAT amended the classification in its financial statements. Where necessary, comparative figures in the year 2001 have been adjusted to conform with those changes.

4.32 LONG-TERM POWER PURCHASE AGREEMENTS

As a result of decreasing the government's investment and encouraging private companies to be involved in generating electricity, the Government approved an investment programme for the generation of electricity by private companies as Independent Power Producers (IPP) who would sell power to EGAT.

EGAT has entered into 43 Power Purchase Agreements at September 30, 2002 with total commitments amounting to approximately Baht 3,374,712 million and total production capacity of 13,789 megawatts.

Power Producers	Company	Capacity (Megawatt)	Years	Contract Period	Amount (Million Baht)	Availability Payment (AP) (Million Baht)	Energy Payment (EP) (Million Baht)
Power Project Developers in Lao People's Democratic Republic							
Theun Hinboun Power Company Limited	1	214	20	(2003 – 2022)	54,458	–	54,458
Houay Ho Power Company Limited	1	126	27	(2003 – 2029)	31,104	–	31,104
Independent Power Producers (IPP)							
Rayong Electricity Generating Company (REGCO)	1	1,174	12	(2003 – 2014)	155,053	46,625	108,428
Khanom Electricity Generating Company (KEGCO)	1	818	14	(2003 – 2016)	118,568	42,303	76,265
Tri Energy Company Limited (TECO)	1	700	18	(2003 – 2020)	138,140	41,649	96,491
Eastern Power Electric Company Limited (EPEC)	1	350	20	(2003 – 2022)	86,213	33,486	52,727
Independent Power (Thailand)							
Company Limited (IPT)	1	700	23	(2003 – 2025)	181,301	50,924	130,377
Ratchaburi Electricity Generating Company (RGCO)	1	3,546	25	(2003 – 2027)	888,563	241,067	647,496
Bowin Power Company Limited (BOWIN)	1	713	25	(2003 – 2027)	204,661	63,095	141,566
GULF Power Generation Company Limited (GULF)	1	734	26	(2004 – 2029)	210,598	115,670	94,928
Union Power Development							
Company Limited (UPDC)	1	1,400	26	(2005 – 2030)	346,548	173,624	172,924
BLCP Power Company Limited (BLCP)	1	1,347	26	(2007 – 2032)	379,587	211,152	168,435
Small Power Producers (SPP)	31	1,967	15 – 25 Years		579,918	224,645	355,273
Total	43	13,789			3,374,712	1,244,240	2,130,472

FINANCIAL REVIEW

I. Operating Performance

For the year 2002, operating income before other revenues and expenses, of Baht 28,199.55 million increased from the previous year by 68.98% or Baht 11,511.11 million (2001: Baht 16,688.44 million).

Net income of Baht 27,350.33 million increased from the previous year by 91.65% or Baht 13,079.00 million (2001: Baht 14,271.33 million) as follows:

Operating Revenues

In 2002, Electricity Generating Authority of Thailand (EGAT) had electric energy sales of Baht 207,101.05 million, which increased from the previous year by 11.90% or Baht 22,029.31 million (2001: Baht 185,071.74 million). The energy sales volume of 102,485.69 million kWh increased from the previous year by 5.21% or 5,073.24 million kWh (2001: 97,412.45 million kWh). Average energy sales price increased by 6.32% to Baht 2.02 per kWh (2001: Baht 1.90 per kWh). The 2001 electric energy sales and average sales prices were lower than those of 2002 due to the absorption of irrecoverable Ft adjustment costs during the period of July - September 2000 of Baht 12,915.42 million under the new base tariff structure.

Operating Expenses

Operating expenses of Baht 178,901.50 million increased from the previous year by 6.25% or Baht 10,518.20 million (2001: Baht 168,383.30 million), detailed as follows:

- Expenses for electricity purchase increased by 11.20% or Baht 9,452.75 million whereas the volume of the purchased electricity grew by 13.81% or 5,717.03 million kWh from the previous year. However, in terms of price, the average electricity purchase price decreased by 2.45% or Baht 0.05 to Baht 1.99 per kWh in 2002. (2001: Baht 2.04 per kWh).
- Fuel cost decreased by 2.20% or Baht 1,192.08 million as electric energy generated by EGAT declined by 0.80% or 493.00 million kWh.
- Other energy generating expenses decreased by 1.30% or Baht 129.16 million.
- Transmission expenses increased by 19.55% or Baht 570.36 million, partly due to the incremental amortization of land rights and depreciation expense resulting from the transfer of land rights and completed transmission work as assets.
- Administrative and general expenses increased by Baht 1,087.61 million due to an increase of reserve for bonus by Baht 933.72 million from the previous year.

Other Revenues

Other revenues of Baht 8,629.85 million increased from the previous year by 4.29% or Baht 355.30 million, detailed as follows:

- Profit on sale of Ratchaburi Power Plant Project decreased by 70.61% or Baht 1,556.15 million to Baht 647.63 million (2001: Baht 2,203.78 million).
- Share of profit from subsidiary and associated companies in 2002 increased by 353.69% or Baht 1,668.34 million.
- Bank interests decreased by 47.50% or Baht 750.86 million.
- Others revenue decreased by 73.26% or Baht 932.74 million since in 2001 EGAT received penalty fee of Baht 832.00 million from Independent Power (Thailand) Company Limited for the shortfall from plan in power supplied.
- Net gain on foreign exchange increased by 89.77% or Baht 1,998.56 million as the Baht had appreciated against the US dollar and Japanese Yen by 2.35% and 4.45% respectively from the previous year.

Other Expenses

Other expenses of Baht 9,479.07 million decreased from the previous year by 11.34% or Baht 1,212.59 million, detailed as follows:

- Borrowing costs decreased as long-term debts declined by 13.19% or Baht 24,233 million in connection with the prepayment of debt out of the proceeds from sales of Ratchaburi power plants in 2001 and 2002.
- Working capital decreased by 16.85% or Baht 1,232.64 million which was translated into interest saving of Baht 26 million.
- Loss on disposal of assets increased by 12.64% or Baht 20.05 million.

II. Financial Position for the Year Ended September 30, 2002

EGAT's assets of Baht 382,086.13 million decreased from the previous year by 5.63% or Baht 22,815.64 million (2001: Baht 404,901.77 million) due to the transfer of the Ratchaburi Combined Cycle Power Plant blocks 1 and 2 to Ratchaburi Electricity Generating Company Limited under the asset purchase agreement. Proceeds from the sale of power plants were used to prepay debt of Baht 9,499.27 million.

Trade accounts receivable increased by 5.24% or Baht 1,539.18 million to Baht 30,890.80 million, which also included the accrued automatic energy adjustment (Ft) of Baht 9,583.31 million that EGAT billed four months in arrears in accordance with the disbursement process.

EGAT's liabilities of Baht 236,004.43 million decreased from the previous year by 14.71% or Baht 40,688.84 million (2001: Baht 276,693.27 million), partly due to the decrease in long term liabilities of Baht 24,232.55 million (including the debt prepayment of Baht 9,499.27 million) and the decrease in short term loan and debt with maturity date of 1 year of Baht 12,824 million.

EGAT's equity of Baht 146,081.70 million increased from the previous year by 13.94% or Baht 17,873.20 million (2001: Baht 128,208.50 million).

Cash Flow

Cash flow activities of EGAT for the year 2002 and 2001 are as follows:

	2002 (Million Baht)	2001 (Million Baht)
Cash flow from operating activities	24,734.87	11,794.46
Cash flow from investing activities	7,674.77	15,164.55
Cash flow from financing activities	(23,976.05)	(36,376.07)
Net increase (decrease) in cash and cash equivalents	8,433.59	(9,417.06)
Cash and cash equivalents at beginning of year	14,183.46	23,600.52
Cash and cash equivalents at end of year	22,617.05	14,183.46

ELECTRICITY GENERATING AUTHORITY OF THAILAND
FIVE YEAR SUMMARY

At September 30:		2002 Baht (Millions)	2001 Baht (Millions)	2000 Baht (Millions)	1999 Baht (Millions)	1998 Baht (Millions)
Assets:						
Current assets		72,101	65,196	66,010	54,690	46,361
Fixed assets		263,256	283,613	318,661	308,388	285,274
Net assets of specific sinking funds		—	—	12,062	11,321	9,128
Intangible assets		20,081	21,773	—	—	—
Other assets	(Note 1)	26,648	38,749	37,678	21,963	17,682
Total assets		<u>382,086</u>	<u>409,331</u>	<u>434,411</u>	<u>396,362</u>	<u>358,445</u>
Liabilities and equity						
Liabilities:						
Current liabilities	(Note 2)	72,912	89,421	93,592	66,763	63,744
Long-term liabilities	(Note 3)	159,489	183,722	216,410	210,560	164,217
Other liabilities		3,603	2,089	2,089	1,377	849
Total liabilities		<u>236,004</u>	<u>275,232</u>	<u>312,091</u>	<u>278,700</u>	<u>228,810</u>
Equity :						
Capital:						
Contribution from the government		10,397	10,459	10,522	10,584	10,646
Surplus from contributions		3,004	2,908	2,827	2,719	2,594
Royalty on Real Property Services - Net		475	475	475	475	475
Retained earnings:						
Capital expenditure appropriation		80,186	80,186	80,186	80,186	80,186
Unappropriated		41,751	28,300	15,992	12,377	43,811
Welfare Fund		256	256	256	—	—
Specific Purpose funds		10,013	11,515	12,062	11,321	10,603
Deferred losses from use of Managed Float systems		—	—	—	—	(18,680)
Total equity		<u>146,082</u>	<u>134,099</u>	<u>122,320</u>	<u>117,662</u>	<u>129,635</u>
Total liabilities and equity		<u>382,086</u>	<u>409,331</u>	<u>434,411</u>	<u>396,362</u>	<u>358,445</u>
For the Years Ended September 30:		kWh (Millions)	kWh (Millions)	kWh (Millions)	kWh (Millions)	kWh (Millions)
Electricity generated and purchased		108,389	103,165	96,781	90,414	92,134
Electricity sales		102,486	97,412	90,725	84,512	85,598

ELECTRICITY GENERATING AUTHORITY OF THAILAND
FIVE YEAR SUMMARY - CONTINUED

For the Years Ended September 30:

		2002 Baht (Millions)	2001 Baht (Millions)	2000 Baht (Millions)	1999 Baht (Millions)	1998 Baht (Millions)
Electricity sales	(Note 4)	207,101	185,072	160,992	134,335	146,572
Operating expenses	(Note 5)	174,677	166,157	132,168	149,510	124,085
Net income (loss) before interest charges		36,128	26,207	31,289	(13,023)	31,422
Interest charges		8,778	9,984	11,114	11,238	11,112
Net income (loss)		27,350	16,223	20,175	(24,261)	20,310
Remittance to Ministry of Finance (paid)		7,470	16,620	7,975	5,837	2,000
Loan repayment		37,085	41,130	34,339	11,760	7,562
Capital expenditure	(Note 6)	13,885	19,273	22,203	35,728	47,628
Net income (loss) as a percentage of sales		13.21%	8.77%	12.53%	(18.06)%	13.86%
Net income (loss) before interest charges as a percentage of sales		17.44%	14.16%	19.44%	(9.69)%	21.44%
Net income (loss) as percentage of equity	(Note 7)	18.72%	12.10%	16.49%	(20.62)%	15.67%
Net income (loss) before interest charges as a percentage of equity	(Note 7)	24.73%	19.54%	25.58%	(11.07)%	24.24%
Net income (loss) as a percentage of total assets		7.16%	3.96%	4.64%	(6.12)%	5.67%
Net income (loss) before interest charges as a percentage of total assets		9.46%	6.40%	7.20%	(3.29)%	8.77%
Operating ratio		82.56%	89.78%	82.10%	111.30%	84.66%
Current ratio		0.99:1	0.78:1	0.71:1	0.91:1	0.77:1
Debt equity ratio		1.09:1	1.37:1	1.77:1	1.98:1	1.19:1
Debt service coverage		1.31	0.57	1.07	1.23	2.55
Self financing ratio						
– Annual		26.23%	(25.91%)	23.54%	29.61%	43.60%
– 3 years average		23.33%	(24.27%)	18.61%	27.14%	50.23%

- Notes:
1. Includes investment in associated company
 2. Includes current portion of long-term debts
 3. Excludes current portion of long-term debts
 4. After deducting promotion of exports, industrial estate discount and natural disaster discount
 5. Includes losses/(gains) from foreign exchange
 6. Excludes mine development expenditures
 7. Equity – excludes deferred foreign exchange adjustment