




# Management's Discussion and Analysis (MD&A)

2<sup>nd</sup> Quarter Ended June 30<sup>th</sup> 2017



Global Power Synergy Public Company Limited (GPSC), PTT Group's Power Flagship, has been founded on the 10<sup>th</sup> January 2013. The core business is to generate and supply electricity, steam and industrial water to its customers. Currently, the company has a total generating equity of 1,922 MW of electricity, 1,582 tons per hour of steam, 12,000 tons of chilled water and 2,080 cubic meters per hour of industrial water. The company extensively seek for business opportunity in expanding the company's footprint as a global best practice in power business both at domestic and international scale.

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## Q2/2017 Financial and Operating Highlights

Unit: THB million

	Q2/16	Q1/17	Q2/17	Change +/-		1H/16	1H/17	Change +/-
				QoQ	YoY			
Operating revenue	5,553	5,366	5,459	2%	(2%)	11,037	10,825	(2%)
Gross profit	1,251	1,098	1,256	14%	0%	2,439	2,354	(3%)
EBITDA	1,056	915	1,101	20%	4%	2,095	2,016	(4%)
EBIT	743	600	778	30%	5%	1,470	1,378	(6%)
Shares of profit of associates and joint ventures	89	111	110	1%	24%	175	221	26%
<b>Net profit for the company</b>	<b>686</b>	<b>750</b>	<b>815</b>	<b>9%</b>	<b>19%</b>	<b>1,557</b>	<b>1,565</b>	<b>1%</b>
<b>Gross profit margin* (%)</b>	<b>23%</b>	<b>20%</b>	<b>23%</b>	<b>3%</b>	<b>0%</b>	<b>22%</b>	<b>22%</b>	<b>(0%)</b>
<b>Net profit margin (%)</b>	<b>13%</b>	<b>14%</b>	<b>15%</b>	<b>1%</b>	<b>2%</b>	<b>15%</b>	<b>14%</b>	<b>(1%)</b>

\* Exclude depreciation and amortization expenses

For Q2/2017, Global Power Synergy Public Company Limited (GPSC) ("the company") had a net profit of Baht 815 million, increased by Baht 65 million or 9% from Q1/2017. The increase is due to not only the decrease in selling and administrative expenses but also the better performance of GPSC's power plants especially IRPC Clean Power Phase 1 whose main customer returned to operate as normal from the maintenance shutdown in the last quarter. Consequently, the gross profit in Q2/2017 increased by Baht 158 million or 14% from Q1/2017. When compare Q2/2017 with Q2/2016's net profit, Q2/2017's net profit increased by Baht 129 million or 19% because of the increase in selling price resulted from the increase in the Ft rate as well as the Weight factor in conjunction with the low cost of natural gas when compared to Q2/2016.

The company's operating revenue in Q2/2017 was Baht 5,459 million, increased by Baht 93 million or 2% from Q1/2017, resulted mainly from the increase in operating revenue of IRPC Clean Power Phase 1 as its main customer resumed normal operation after it stopped for scheduled maintenance. When compared to Q2/2016, the operating revenue in Q2/2017 decreased by Baht 94 million or 2% resulted from the demand in electricity and steam from industrial customers slightly fall during Q2/2017.

Performance of the company's operating power plants in Q2/2017 compared to Q1/2017 (QoQ):

- **Sriracha Power Plant:** Although the revenue in Q2/2017 decreased by 11% due to the decline of Energy Payment (EP) from the decrease in submitted electricity volume to Electricity Generating Authority of Thailand (EGAT) per EGAT's dispatch instruction, the gross profit increased by Baht 52 million or 36% from Q1/2017 from the increase in the Availability Rate and the Weight factor.
- **Rayong Central Utilities Plant:** Total revenue in Q2/2017 increased by 4% from industrial customers returning from their scheduled maintenance in Q1/2017. Consequently, gross profit increased by Baht 43 million or 5% from Q1/2017.
- **IRPC Clean Power Phase 1 (IRPC-CP Phase 1):** The revenue in Q2/2017 increased by 43% due to a major industrial customer resumed its normal operation from a maintenance in Q1/2017, resulting in Baht 62 million or a 63% increase in gross profit from Q1/2017.

**The company's financial position:** As at 30 June 2017, GPSC and its subsidiaries' total assets increased by Baht 350 million or 1% mainly from the increase in the investments according to the additional paid up in the capital of GPSC's associate, Xayaburi Power company Limited (XPCL), which is in the process of constructing a hydro power plant in Lao People's Democratic Republic (Lao PDR). Moreover, in the first 6 months of 2017, the company and its subsidiaries had gain net cash flow for Baht 1,636 million by **gaining net cash flow from operating activities** of Baht 1,997 million while the company had **net cash used in investing activities** of Baht 2,039 million which mainly used in the payment of construction for Baht 1,204 million and in payment for additional capital of the associate for Baht 902 million. The company had **net cash used in financing activities** of Baht 1,594 million resulting from the loan repayment according to the long-term loan agreements and dividend payment during the period.

## Q2/2017's Economic conditions and market environment and Q3/2017's directions

Thailand's overall economic has been forecasted to grow around 3.6% this year compared to a growth of 3.2% in last year, after seeing a growth of spending within the country, as well as, the injection from government spending into infrastructure projects which lead to a continuous growth of Thailand's electricity consumption.

The trend of the power industry in the second half of 2017 is estimated to be lower than the first half according to the seasonal demand factor. However, with the increase in natural gas price according to the cycle adjustment of price; the decline in productivity of hydro power plants; as well as the decline in productivity of coal power plants during winter maintenance, the Energy Regulatory Commission (ERC) decided to increase the Ft rate during September to December 2017 for 8.87 Sa-tang per unit, resulting in a new Ft rate at 15.90 Sa-tang per unit. Speculated by the industry, the Ft rate is going to increase again in the further period during January to April 2018.

In Q3/2017, GPSC consistently focuses on efficient cost management of power plants along with maintaining a stable supply of power to customers. The company has seen the importance of supplying a stable supply of power to its customer and so far GPSC has strongly committed in delivering exceptional services to the customers. In Q3/2017, IRPC Clean Power Phase 2 has proceeded a first synchronization with IRPC Clean Power Phase 1 since the end of July 2017, which will take around 2-3 months bringing about IRPC Clean Power Phase 1 to gain revenue only from steam during the synchronization. The company estimates that within Q4/2017, after the synchronization, both IRPC Clean Power Phase 1 and Phase 2 will be ready to COD and supply both electricity and steam to the customers.

Furthermore, in Q4/2017, the company will start to recognize revenue from the solar power plant in Japan, Ichinoseki Solar Power 1GK (ISP1). This marks an important milestone for GPSC and PTT group in expanding its power business abroad also shows the commitment of GPSC as PTT Group's Power Flagship and progress of business expansion in both Thailand and abroad which includes research and develop on the Energy Storage System (ESS) in creating synergies with GPSC's business and to be become a leading, innovative and sustainable global power company.

## Significant events in Q2/2017

### • Commercial Operation Date of Bangpa-In Cogeneration Company Limited Phase 2 (BIC2), SPP

On 29 June 2017, a Small Power Producer (SPP), BIC2 started COD and supplying electricity to EGAT. BIC2 has a capacity to produce 117 Megawatt of electricity and a capacity to produce 20 ton per hour of steam. Q3/2017 will be the first full quarter that BIC2 will realize the revenue from selling electricity and steam which GPSC will recognize the gain according to the proportion of the company's ownership, 25%, and will be shown in the income statement in next quarters.

### • Installation of solar rooftop at PTT petrol station

GPSC is currently in the process of installing solar panels on the rooftops of PTT petrol stations. In 2017, GPSC will launch 3 pilot stations and the each station has the capacity to produce 50 kilowatt-hours. This is one of GPSC's footprints in renewable energy and is corresponded with PTT group's policy in renewable energy investment. This investment will be either in the form of joint venture or share of returns on investment. Currently, GPSC is studying in more detail with PTT group to evaluate the business potential of installing the solar panels on the rooftop in the rest of PTT's petrol stations.

### • Energy Storage System

GPSC has foreseen the change and disruption in the power technology; therefore, GPSC carefully prepares itself by researching and investing in 24M Technologies. Inc. whose technology will be beneficial to GPSC for commercialization. This will fully enable GPSC to enter into the innovative power business, including stepping to become a system integrator for ESS while strengthen GPSC's position to further expand and invest into renewable energy business.

### • Dr. Toemchai Bunnag, President and Chief Executive Officer of GPSC, granted Best CEO Award

GPSC was recently granted 3 awards from the 7th Asian Excellence Award 2017. The prizes were Asia's Best CEO Award (Investor Relation) for Dr. Toemchai Bunnag, Best Investor Relations Company and Best Environmental Responsibility. GPSC is the only Thai power and utility company that was awarded the prizes. This reflects professional operation with good governance and good responsibility to society, community, environment as the company takes care of all related parties equally with international standard.

### • Selected to include in ESG100 for the year of 2017 from Thaipat Institute

GPSC is selected to include in Global Initiative for Sustainability Ratings (GISR) from Thaipat Institute as a company who transparently and fairly discloses information to the public. This reflect that GPSC operates business sustainably in Thailand by considering Environment, Social and Governance: ESG and thus GPSC is listed in ESG100 for 2 consecutive years. 2



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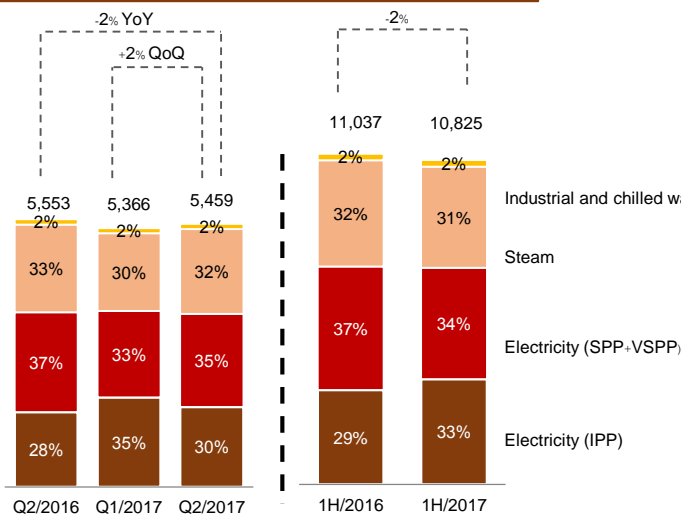
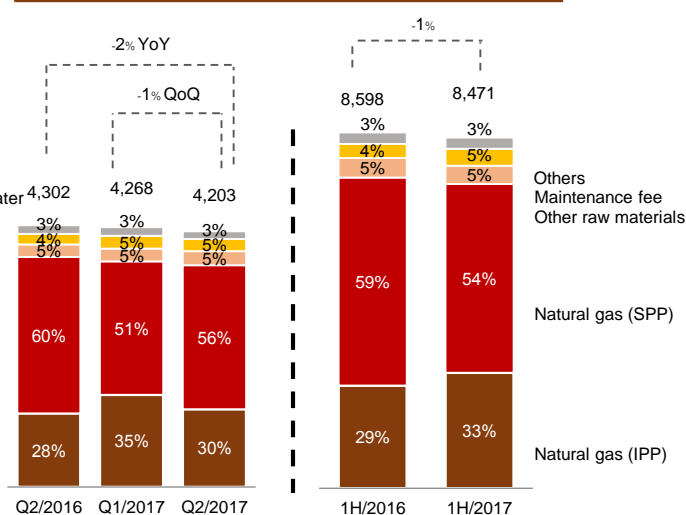
1. Overall operating results of the company and its subsidiaries

Unit: THB million

	Q2/2016	Q1/2017	Q2/2017	Change +/-		1H/2016	1H/2017	Change +/-
				QoQ	YoY			
Operating revenue	5,553	5,366	5,459	2%	(2%)	11,037	10,825	(2%)
Cost of sales (exclude depreciation and amortization)	(4,302)	(4,268)	(4,203)	(2%)	(2%)	(8,598)	(8,471)	(1%)
<b>Gross profit</b>	<b>1,251</b>	<b>1,098</b>	<b>1,256</b>	<b>14%</b>	<b>0%</b>	<b>2,439</b>	<b>2,354</b>	<b>(3%)</b>
Selling and administrative expenses	(198)	(186)	(158)	(15%)	(20%)	(350)	(344)	(2%)
Other operating income	3	3	3	0%	0%	6	6	0%
<b>EBITDA</b>	<b>1,056</b>	<b>915</b>	<b>1,101</b>	<b>20%</b>	<b>4%</b>	<b>2,095</b>	<b>2,016</b>	<b>(4%)</b>
Depreciation and amortization	(313)	(315)	(323)	3%	3%	(625)	(638)	2%
<b>EBIT</b>	<b>743</b>	<b>600</b>	<b>778</b>	<b>30%</b>	<b>5%</b>	<b>1,470</b>	<b>1,378</b>	<b>(6%)</b>
Finance costs	(104)	(96)	(100)	4%	(4%)	(209)	(197)	(6%)
Other non-operating income and expenses	46	196	136	(31%)	196%	270	332	23%
Shares of profit of associates and joint ventures	89	111	110	(1%)	24%	175	221	26%
Income tax expenses	(69)	(47)	(63)	34%	(9%)	(95)	(110)	16%
<b>Profit before FX &amp; extraordinary items</b>	<b>705</b>	<b>764</b>	<b>861</b>	<b>13%</b>	<b>22%</b>	<b>1,611</b>	<b>1,624</b>	<b>1%</b>
Net foreign exchange gains (losses)	30	1	(2)	(300%)	(107%)	38	(1)	n/a
<b>Net profit</b>	<b>735</b>	<b>765</b>	<b>859</b>	<b>12%</b>	<b>17%</b>	<b>1,649</b>	<b>1,623</b>	<b>(2%)</b>
Non-controlling interest	(49)	(15)	(44)	193%	(10%)	(92)	(58)	n/a
<b>Net profit-Owners of the company</b>	<b>686</b>	<b>750</b>	<b>815</b>	<b>9%</b>	<b>19%</b>	<b>1,557</b>	<b>1,565</b>	<b>1%</b>
Earning per share (Baht/share)	0.46	0.50	0.54	8%	17%	1.04	1.04	0%
Weighted average number of common share (Million)	1,498	1,498	1,498	0%	0%	1,498	1,498	0%

GPSC and its subsidiaries generated a net profit for Q2/2017 that attributed to the company for Baht 815 million. The net profit in Q2/2017 increased from Q1/2016 by Baht 65 million or 9%, as a result of the better performance of the company's power plants, as well as, IRPC Clean Power Phase 1's major customer resumed its operation from the scheduled maintenance in Q1/2017. Moreover, the selling and administration expenses had declined. When comparing the net profit of Q2/2017 to Q2/2016, it showed that GPSC's net profit increased by Baht 129 million or 19%. This is due to the rise in selling price which includes the increases in Ft rate as well as the Weight factor. In addition, the average cost of natural gas in Q2/2017 is lower than in Q2/2016.

**Revenue** from operation for Q2/2017 was Baht 5,459 million which increased by Baht 93 million or 2% comparing to Q1/2017. This is mainly due to the rise in revenue from Rayong Central Utilities plant and IRPC Clean Power Phase 1 even though the revenue from Sriracha plant (IPP) declined due to the decrease in the submitted electricity volume to Electricity Generating Authority of Thailand (EGAT) per EGAT's dispatch instruction causing the lower revenue in the Energy Payment (EP). However, the revenue from the Availability Payment (AP) increased because of the incline in the Weight factor.

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**Revenue**  
 (THB million)

**Cost of sales and services**  
 (exclude depreciation and amortization) (THB million)

**Cost of sales and services (exclude depreciation and amortization)**

- Natural gas**, which is the main operating cost of the company's power plants, in Q2/2017 the natural gas cost was Baht 3,645 million. The gas cost in Q2/2017 decreased from Q1/2017 by Baht 61 million or 2%. The main reason is the lower volume of gas used at Sriracha Power Plant following the decline in electricity volume submitted to EGAT. Also, when comparing the cost of natural gas in Q2/2017 to Q2/2016, the cost decreased by Baht 133 million because in Q2/2017 there were more number of Rayong Central Utilities Plant's customers who had halted for maintenance than there were in Q2/2016. Therefore, the volume of gas used were lower. Furthermore, the average price of natural gas at Rayong Central Utilities Plant was lower in Q2/2017 than in Q2/2016.
- Maintenance cost** in Q2/2017 was Baht 190 million which was lower than in Q1/2017 by Baht 23 million or 11% due to the decrease in variable maintenance cost that is affected by the fewer number of operating hours at Sriracha Power Plant according to the decrease in electricity volume submitted to EGAT. While the maintenance cost in Q2/2017 was higher than in Q2/2016 for Baht 17 million following the more number of operating hours at Sriracha Power Plant.

**Selling and administrative expenses**

In Q2/2017, the selling and administrative expenses were Baht 158 million, a decrease of Baht 28 million or 15% from Q1/2017 and a decrease of Baht 40 million or 20% from Q2/2016. The main reason of these decreases is the decline in business development cost. Consequently, decrease in selling and administrative expenses in the 1H/2017 for Baht 6 million or 2% when comparing with 1H/2016.

**Depreciation and amortization**

In Q2/2017, the depreciation and amortization expenses were Baht 323 million, which went up by 8 million or 3% from Q1/2017. The increase in the expenses was because there are more number of days in Q2/2017 than in Q1/2017. Also, when comparing Q2/2017 to Q2/2016, the depreciation and amortization expense increased by Baht 10 million or 3%. The increase is mainly from the COD of CHPP Solar Cooperatives project on 30 December 2016 which is also the cause of the depreciation and amortization expenses to be higher in 1H/2017 than in 1H/2016.

**Finance costs**

In Q2/2017, finance costs were Baht 100 million, increased by Baht 4 million or 4% from Q1/2017 from the amortization of deferred front end fee in the period for Baht 5 million which is consistent with the company's financial plans. However, the finance cost decreased by Baht 4 million or 4% from Q2/2016. This mainly due to the repayment of the company's loan, and from the reason mentioned, the cost of finance in 1H/2017 is lower than 1H/2016.

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**Other non-operating income and expenses**

Other non-operating income and expenses in Q2/2017 were Baht 136 million in income which decreased from Q1/2017 for Baht 60 million. This is because in Q2/2017 GPSC did not receive dividend income from RPCL as it did in Q1/2017 for Baht 120 million which is the normal dividend payment cycle of RPCL. Meanwhile, in Q2/2017 the company recognized a compensation of Baht 66 million from the insurance company for the gas turbine of Rayong Central Utilities Plant which was damaged in Q3/2016. Also, when comparing with Q2/2016, Q2/2017 shows that non-operating income and expenses increased by Baht 90 million, due to the compensation received from the insurance company and the income from interest which increased for Baht 37 million.

**Shares of profit of associates and joint ventures**

Unit: THB million

Company	Shareholding	Q2/2016	Q1/2017	Q2/2017	Change +/-		1H/2016	1H/2017	Change +/-
					QoQ	YoY			
<b>Independent Power Producer (IPP)</b>									
- Xayaburi Power Company Limited (XPCL)	25%	(11)	(8)	(2)	75%	82%	(21)	(10)	(52%)
<b>Small Power Producer (SPP)</b>									
- Bangpa-in Cogeneration Company Limited (BIC)	25%	11	10	15	50%	36%	23	25	9%
- Nava Nakorn Electricity Generating Company Limited (NNEG)	30%	1	26	28	8%	2,700%	(4)	54	n/a
- Nam Lik 1 Power Company Limited (NL1PC)	40%	14	(7)	9	n/a	n/a	23	2	(91%)
<b>Total Small Power Producer</b>		<b>26</b>	<b>29</b>	<b>52</b>	<b>79%</b>	<b>100%</b>	<b>42</b>	<b>81</b>	<b>93%</b>
<b>Very Small Power Plant (VSPP)</b>									
- Thai Solar Renewable Company Limited (TSR)	40%	74	90	60	(33%)	(19%)	154	150	(3%)
<b>Total shares of profit of associates and joint ventures</b>		<b>89</b>	<b>111</b>	<b>110</b>	<b>(1%)</b>	<b>24%</b>	<b>175</b>	<b>221</b>	<b>26%</b>

Shares of profit of associates and joint ventures for Q2/2017 decreased from Q1/2017 by Baht 1 million or 1% but when comparing to Q2/2016, it increased by Baht 21 million or 24%. The reasons are as follows:

- Shares of profit from Xayaburi Power Company Limited (XPCL) increased by Baht 6 million from Q1/2017 and by Baht 9 million from Q2/2016 because of the decrease in administrative expenses during the periods.
- Shares of profit from Bangpa-In Cogeneration Company Limited (BIC) increased by Baht 5 million and Baht 4 million from Q1/2017 and Q2/2016, respectively. The increase is because of not having major maintenance shutdown in Q2/2017.
- Shares of profit from Nava Nakorn Electricity Generating Company Limited (NNEG) increased by Baht 2 million and Baht 27 million from Q1/2017 and Q2/2016, respectively. This is because the power plant started COD on 3 June 2016.
- Shares of profit from Nam Lik 1 Power Company Limited (NL1PC) increased by Baht 16 million from Q1/2017 but decreased by Baht 5 million from Q2/2016. This is because of the revision of revenue recognition according to TFRIC 12.
- Shares of profit from Thai Solar Renewable Company Limited (TSR) decreased by Baht 30 million and Baht 14 million from Q1/2017 and Q2/2016, respectively, resulted from the recognition of maintenance expense.

**Income tax expenses**

The income tax expenses in Q2/2017 increased from Q1/2017 for Baht 16 million or 34% following the increase in the net profit. However, when comparing with Q2/2016, Q2/2017 income tax expense decreased by Baht 6 million or 9% even though the net profit in Q2/2017 was higher than in Q2/2016. This is due to the increased profit portion that subject to income tax exemption from the Board Of Investment (BOI) tax exemption benefit while the profit that is not subject to income tax exemption decreased. Also, when considering 1H/2017, the income tax expenses increased by Baht 15 million or 16% from 1H/2016. This is because of the gradual expirations of the BOI certificates, causing the expiration of the tax benefit.

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## 2. Operating results by plant

## 2.1 Sriracha Power Plant: IPP

Unit: THB million

	Q2/2016	Q1/2017	Q2/2017	Change +/-		1H/2016	1H/2017	Change +/-
				QoQ	YoY			
<b>Revenue</b>								
Revenue from selling electricity								
- Availability Payment: AP	145	145	186	28%	28%	280	331	18%
- Energy Payment: EP	1,237	1,553	1,311	(16%)	6%	2,533	2,864	13%
- Received money to submit to Power Developments fund	6	8	7	(13%)	17%	12	15	25%
<b>Total revenue from selling electricity</b>	<b>1,388</b>	<b>1,706</b>	<b>1,504</b>	<b>(12%)</b>	<b>8%</b>	<b>2,825</b>	<b>3,210</b>	<b>14%</b>
Revenue from finance lease agreement	161	152	149	(2%)	(7%)	325	301	(7%)
Other revenue	9	-	-	n/a	n/a	17	-	(100%)
<b>Total revenue from selling electricity</b>	<b>1,558</b>	<b>1,858</b>	<b>1,653</b>	<b>(11%)</b>	<b>6%</b>	<b>3,167</b>	<b>3,511</b>	<b>11%</b>
<b>Cost of sales of goods and rendering of services</b>								
Cost of raw materials								
- Natural gas	1,209	1,511	1,277	(15%)	6%	2,480	2,788	12%
- Water	18	11	9	(18%)	(50%)	34	20	(41%)
- Power Development Funds	6	8	7	(13%)	17%	12	15	25%
- Others	10	8	8	0%	(20%)	22	16	(27%)
<b>Total cost of raw materials</b>	<b>1,243</b>	<b>1,538</b>	<b>1,301</b>	<b>(15%)</b>	<b>5%</b>	<b>2,548</b>	<b>2,839</b>	<b>11%</b>
Maintenance fee	90	128	104	(19%)	16%	184	232	26%
Others (exclude depreciation and amortization)	50	47	51	9%	2%	99	98	(1%)
<b>Total cost of sales of goods and rendering of services</b>	<b>1,383</b>	<b>1,713</b>	<b>1,456</b>	<b>(15%)</b>	<b>5%</b>	<b>2,831</b>	<b>3,169</b>	<b>12%</b>
<b>Gross profit</b>	<b>175</b>	<b>145</b>	<b>197</b>	<b>36%</b>	<b>13%</b>	<b>336</b>	<b>342</b>	<b>2%</b>
<b>Gross profit margin</b>	<b>11%</b>	<b>8%</b>	<b>12%</b>	<b>4%</b>	<b>1%</b>	<b>11%</b>	<b>10%</b>	<b>(1%)</b>

In Q2/2017, Sriracha Power Plant's gross profit increased by Baht 52 million or 36% resulting from the increase in Availability Payment (AP) for Baht 41 million following the increase in Weight factor and the increase in availability rate that increased from 98% to 100%.

Also, gross profit in Q2/2017 increased by Baht 22 million or 13% from Q2/2016. This is due to the increase in revenue from Availability Payment (AP) by Baht 41 million or 28% according to the increase Weight factor compared to in Q2/2016.

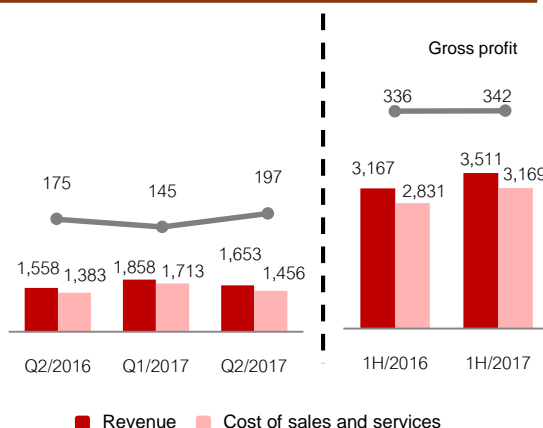
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## Sriracha plant performance

(Unit: THB million)



Sriracha Power Plant: IPP	Q2/16	Q1/17	Q2/17	Change +/(-)		1H/16	1H/17	+ / (-)
				QoQ	YoY			
<b>Key revenue drivers</b>								
Availability rate	100%	98%	100%	2%	0%	99%	99%	0%
Dispatch (GWh)	637	828	682	(18%)	7%	1,242	1,510	22%
Average selling price (Baht/kWh)	2.18	2.06	2.21	7%	1%	2.27	2.13	(6%)
<b>Key cost drivers</b>								
Natural gas consumption ('000 MMBTU)	4,721	6,264	5,212	(17%)	11%	9,213	11,476	25%
Average price of natural gas (Baht/MMBTU)	256	241	245	2%	(4%)	269	243	(10%)

Revenue**Q2/2017 VS Q1/2017 (QoQ)**

- The revenue in Q2/2017 comparing with Q1/2017 decreased by Baht 205 million or 11%. The main reason is because of the lower Energy Payment (EP) following the decline in dispatch volume submitted to EGAT.
- However, the Availability Payment in Q2/2017 increased by Baht 41 million or 28% as the availability rate increased from 98% to 100%, as well as an increase in Weight factor.
- The average selling price of natural gas increased by 7%. This is because of the increase in Weight factor. Together with the decrease in the electricity volume submitted to EGAT, the average selling price of electricity per unit rose.

**Q2/2017 VS Q2/2016 (YoY)**

- The revenue in Q2/2017 increased by Baht 95 million or 6% from Q2/2016. This is because there is an increase in revenue from both the Energy Payment (EP) and Availability Payment (AP). Revenue from Energy Payment (EP) increased by Baht 74 million or 6%, resulted from the higher sales volume of electricity submitted to EGAT which increased by 45 Gigawatt-Hours or 7%.
- The average electricity selling price increase by 1% from higher Weight factor.

**1H/2017 VS 1H/2016**

- The revenue from selling electricity including the revenue from financial lease agreement in 1H/2017 increased by Baht 344 million or 11% from 1H/2016. This is in-line with the increase in the electricity submitted volume according to EGAT's dispatch instruction which rose by 268 Gigawatt-Hours or 22%.

**Cost of sales of goods and rendering of services (exclude depreciation and amortization)****Q2/2017 VS Q1/2017 (QoQ)**

- The cost of sales of goods and rendering of services in Q2/2017 decreased by Baht 257 million or 15%. This is mainly due to the decrease in the cost of natural gas of Baht 234 million or 15% resulted from the decrease in the dispatch volume submitted to EGAT.

**Q2/2017 VS Q2/2016 (YoY)**

- In comparison with Q2/2016, the cost of sales of goods and rendering of services in Q2/2017 increased by Baht 73 million or 5%. This was due to the increase in natural gas cost for Baht 68 million or 6% resulted from the usage volume that was affected by the increase in the electricity dispatch volume submitted to EGAT.

**1H/2017 VS 1H/2016**

- The cost of sales of goods and rendering of services in 1H/2017 increased by Baht 338 million or 12% when compared to 1H/2016, although, the price of natural gas is less expensive than in 1H/2016 but gas usage volume is 25% higher. 7



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## 2.2 Rayong Central Utilities Plant 1-3 (CUP 1-3) : SPP

Unit: THB million

	Q2/2016	Q1/2017	Q2/2017	Change +/-		1H/2016	1H/2017	Change +/-
				QoQ	YoY			
<b>Revenue</b>								
Revenue from selling electricity	1,822	1,624	1,687	4%	(7%)	3,608	3,311	(8%)
Revenue from selling steam	1,571	1,394	1,464	5%	(7%)	3,051	2,858	(6%)
Revenue from selling industrial water	53	63	67	6%	26%	112	130	16%
<b>Total revenue</b>	<b>3,446</b>	<b>3,081</b>	<b>3,218</b>	<b>4%</b>	<b>(7%)</b>	<b>6,771</b>	<b>6,299</b>	<b>(7%)</b>
<b>Cost of sales of goods and rendering of services</b>								
Cost of raw materials								
- Natural gas	2,255	1,948	2,026	4%	(10%)	4,395	3,974	(10%)
- Steam	63	70	98	40%	56%	188	168	(11%)
- Water	39	41	38	(7%)	(3%)	73	79	8%
- Others	39	43	39	(9%)	0%	77	82	6%
<b>Total cost of raw materials</b>	<b>2,396</b>	<b>2,102</b>	<b>2,201</b>	<b>5%</b>	<b>(8%)</b>	<b>4,733</b>	<b>4,303</b>	<b>(9%)</b>
Maintenance fee	72	73	72	(1%)	0%	135	145	7%
Others (exclude depreciation and amortization)	81	81	77	(5%)	(5%)	159	158	(1%)
<b>Total cost of sales of goods and rendering of services</b>	<b>2,549</b>	<b>2,256</b>	<b>2,350</b>	<b>4%</b>	<b>(8%)</b>	<b>5,027</b>	<b>4,606</b>	<b>(8%)</b>
<b>Gross profit</b>	<b>897</b>	<b>825</b>	<b>868</b>	<b>5%</b>	<b>(3%)</b>	<b>1,744</b>	<b>1,693</b>	<b>(3%)</b>
<b>Gross profit margin</b>	<b>26%</b>	<b>27%</b>	<b>27%</b>	<b>0%</b>	<b>1%</b>	<b>26%</b>	<b>27%</b>	<b>1%</b>

The gross profit in Q2/2017 of Rayong Central Utilities Plant increased by Baht 43 million or 5% compared to Q1/2017. This is due to the main customer resumed its normal operation in this quarter after the scheduled maintenance in Q1/2017.

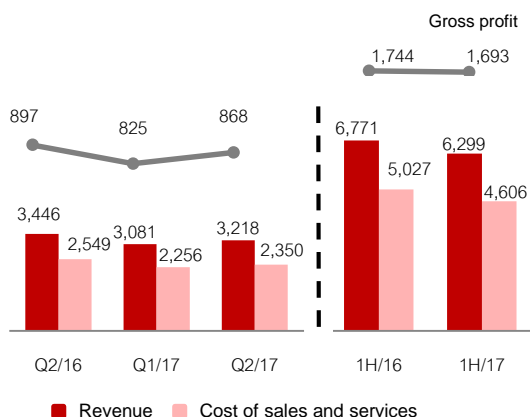
Meanwhile, the gross profit in Q2/2017 decreased by Baht 29 million or 3% from Q2/2016. This is because in Q2/2017 the number of customers halted for maintenance was more than in Q2/2016 meaning that the volume of electricity and steam sold decreased.

The gross profit for 1H/2017 decreased by Baht 51 million or 3% when compared to 1H/2016. This is because the number of customers in 1H/2017 temporarily ceased for maintenance more than in 1H/2016.

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Rayong plant performance  
(THB million)

Rayong Power Plant: SPP	Q2/2016	Q1/2017	Q2/2017	+ / (-)		1H/2016	1H/2017	+ / (-)
				QoQ	YoY			
<b>Key revenue drivers</b>								
<b>•Power</b>								
Sales volume (GWh)	624	575	599	4%	(4%)	1,197	1,174	(2%)
Average selling price (Baht/kWh)	2.92	2.82	2.82	0%	(3%)	3.01	2.82	(6%)
<b>•Steam</b>								
Sales volume ('000 Tonnes)	1,475	1,301	1,374	6%	(7%)	2,795	2,675	(4%)
Average selling price (Baht/Tonnes)	1,065	1,072	1,065	(1%)	0%	1,092	1,068	(2%)
<b>Key cost drivers</b>								
Natural gas consumption ('000 MMBTU)	8,893	7,884	8,074	2%	(9%)	16,661	15,958	(4%)
Average price of natural gas (Baht/MMBTU)	254	247	251	2%	(1%)	264	249	(6%)

**Revenue****Q2/2017 VS Q1/2017 (QoQ)**

- In Q2/2017, Rayong Central Utilities Plant's total revenue was Baht 3,218 million which increased by Baht 137 million or 4% from Q1/2017. This is mainly due to the volume of electricity sold increased by 24 Gigawatt-Hours and the volume of steam sold increased by 73 thousand ton because some customers had maintenance shutdowns in Q1/2017 and resumed its normal operation in Q2/2017.

**Q2/2017 VS Q2/2016 (YoY)**

- The revenue for Q2/2017 decreased by Baht 228 million or 7% when compared to Q2/2016. This is because there are more number of days that Rayong Central Utilities Plant 2's customer has stopped operation for maintenance compared to in Q2/2016 which resulted in less volume of electricity and steam sold. Furthermore, the electricity selling price drop from the lower natural gas price when compare to Q2/2016.

**1H/2017 VS 1H/2016**

- The revenue for 1H/2017 decreased by Baht 472 million or 7% compared to 1H/2016. This is due to the number of customers stopped for maintenance more than in 1H/2016, which resulted in lower volume of electricity and steam sold.

**Cost of sales of goods and rendering of services (exclude depreciation and amortization)****Q2/2017 VS Q1/2017 (QoQ)**

- In Q2/2017, cost of sales of goods and rendering of services increased by Baht 94 million or 4%. This is mainly caused by the cost of raw materials that increased by Baht 99 million or 5% which was resulted from the cost of natural gas that increased by Baht 78 million or 4%. The increase was caused by the incline in natural gas consumption volume used in producing electricity and steam, as well as the price of natural gas.

**Q2/2017 VS Q2/2016 (YoY)**

- When comparing Q2/2017 to Q2/2016, the total cost of sales of goods and rendering of services went down by Baht 199 million or 8%. This is mainly from the decrease in raw materials cost amounting to Baht 195 million which is in line with the decrease in the production volume.

**1H/2017 VS 1H/2016**

- The cost of sales of goods and rendering of services in 1H/2017 was Baht 4,606 million, decreased by Baht 421 million or 8% compared to 1H/2016. This is due to the decline of the price of natural gas, as well as, the reduction of volume of electricity and steam sold.

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## 2.3 IRPC Clean Power (IRPC-CP) Phase 1 : SPP

Unit: THB million

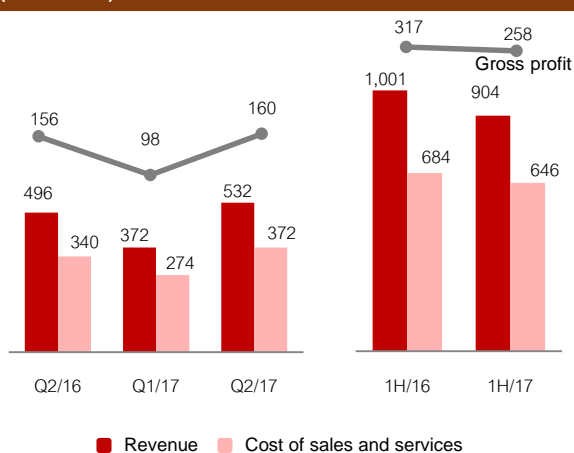
	Q2/2016	Q1/2017	Q2/2017	Change +/-		1H/2016	1H/2017	Change +/-
				QoQ	YoY			
<b>Revenue</b>								
Revenue from selling electricity	245	154	237	54%	(3%)	517	391	(24%)
Revenue from selling steam	251	218	295	35%	18%	484	513	6%
<b>Total revenue</b>	<b>496</b>	<b>372</b>	<b>532</b>	<b>43%</b>	<b>7%</b>	<b>1,001</b>	<b>904</b>	<b>(10%)</b>
<b>Cost of sales of goods and rendering of services</b>								
Cost of raw materials								
- Natural gas	314	247	342	38%	9%	633	589	(7%)
- Water	5	4	6	50%	20%	10	10	0%
- Others	6	7	6	(14%)	0%	11	13	18%
<b>Total cost of raw materials</b>	<b>325</b>	<b>258</b>	<b>354</b>	<b>37%</b>	<b>9%</b>	<b>654</b>	<b>612</b>	<b>(6%)</b>
Maintenance fee	10	11	13	18%	30%	20	24	20%
Others (exclude depreciation and amortization)	5	5	5	0%	0%	10	10	0%
<b>Total cost of sales of goods and rendering of services</b>	<b>340</b>	<b>274</b>	<b>372</b>	<b>36%</b>	<b>9%</b>	<b>684</b>	<b>646</b>	<b>(6%)</b>
<b>Gross profit</b>	<b>156</b>	<b>98</b>	<b>160</b>	<b>63%</b>	<b>3%</b>	<b>317</b>	<b>258</b>	<b>(19%)</b>
<b>Gross profit margin</b>	<b>31%</b>	<b>26%</b>	<b>30%</b>	<b>4%</b>	<b>(1%)</b>	<b>32%</b>	<b>29%</b>	<b>(3%)</b>

The gross profit of IRPC Clean Power Phase 1 in Q2/2017 increased significantly when compared to Q1/2017. This is due to IRPC-CP's main customer resumed its normal operation after temporarily ceased from the scheduled maintenance during Q1/2017 for one month.

The gross profit in Q2/2017 increased slightly by Baht 4 million or 3% when compared to Q2/2016. This is resulted from the higher steam sales volume as well as an increase in the average selling price for Baht 39 per ton or 4%.

## IRPC-CP Phase 1 plant performance

(THB million)



■ Revenue ■ Cost of sales and services

## Revenue

## Q2/2017 VS Q1/2017 (QoQ)

- In Q2/2017, IRPC-CP Phase 1's total revenue was Baht 532 million which increased by Baht 160 million or 43% from Q1/2017. The decreases are mainly due to the main customer resuming normal operation from its maintenance in Q1/2017.

IRPC-CP Phase 1: SPP	Q2/2016	Q1/2017	Q2/2017	Change		1H/2016	1H/2017	+/-
				QoQ	YoY			
<b>Key revenue drivers</b>								
<b>• Power</b>								
Sales volume (GWh)	86	53	84	58%	(2%)	174	137	(21%)
Average selling price (Baht/kWh)	2.85	2.88	2.81	(2%)	(1%)	2.97	2.84	(4%)
<b>• Steam</b>								
Sales volume ('000 Tonnes)	227	183	258	41%	14%	419	441	5%
Average selling price (Price/Ton)	1,106	1,193	1,145	(4%)	4%	1,155	1,165	1%
<b>Key cost drivers</b>								
Natural gas consumption ('000 MMBTU)	1,263	947	1,350	43%	7%	2,423	2,297	(5%)
Average price of natural gas (Baht/MMBTU)	249	261	253	(3%)	2%	261	256	(2%)

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**Q2/2017 VS Q2/2016 (YoY)**

- The revenue in Q2/2017 increased by Baht 36 million or 7% when compared to Q2/2016. This is due to the increase in revenue from selling steam for Baht 44 million or 18% as a result of the demand of steam has increased.

**1H/2017 VS 1H/2016**

- The revenue in 1H/2017 was Baht 904 million, decreased by Baht 97 million or 10% from 1H/2016, as a result of the main customer halted for maintenance during Q1/2017.

**Cost of sales of goods and rendering of services (exclude depreciation and amortization)****Q2/2017 VS Q1/2017 (QoQ)**

- In Q2/2017, cost of goods sold and rendering of services increased by Baht 98 million or 36% from Q1/2017. This is because the increase in natural gas cost in producing the electricity resulted from one major customer resumed its normal operation after the maintenance shutdown during Q1/2017.

**Q2/2017 VS Q2/2016 (YoY)**

- The cost of sales of goods and rendering services in Q2/2017 increased by Baht 32 million or 9% from Q2/2016. This is mainly because the increase in the natural gas usage volume that was caused by the incline in the demand of steam. In addition, the natural gas price also increased.

**1H/2017 VS 1H/2016**

- The cost of sales of goods and rendering services in 1H/2017 was Baht 646 million which decreased from 1H/2016 by Baht 38 million or 6%. This was caused by one major customer had maintenance shutdown during Q1/2017.

**2.4 Combine Heat and Power Producing Company Limited (CHPP) : VSPP**

Unit: THB million

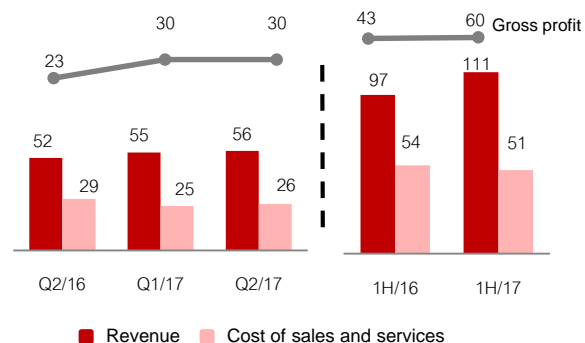
	Q2/2016	Q1/2017	Q2/2017	Change +/-		1H/2016	1H/2017	Change +/-
				QoQ	YoY			
<b>Revenue</b>								
Revenue from selling chilled water	52	44	46	5%	(12%)	97	90	(7%)
Revenue from selling electricity	-	11	10	(9%)	n/a	-	21	n/a
<b>Total revenue</b>	<b>52</b>	<b>55</b>	<b>56</b>	<b>2%</b>	<b>8%</b>	<b>97</b>	<b>111</b>	<b>14%</b>
<b>Cost of sales of goods and rendering of services</b>								
Cost of raw materials								
- Electricity power	22	17	18	6%	(18%)	40	35	(13%)
- Others	0.3	1.0	1.0	0%	233%	0.6	2.0	233%
<b>Total cost of raw materials</b>	<b>22</b>	<b>18</b>	<b>19</b>	<b>6%</b>	<b>(15%)</b>	<b>41</b>	<b>37</b>	<b>(9%)</b>
Maintenance fee	1	1	1	0%	0%	2	2	0%
Others (exclude depreciation and amortization)	6	6	6	0%	0%	11	12	9%
<b>Total cost of sales of goods and rendering of services</b>	<b>29</b>	<b>25</b>	<b>26</b>	<b>4%</b>	<b>(11%)</b>	<b>54</b>	<b>51</b>	<b>(5%)</b>
<b>Gross profit</b>	<b>23</b>	<b>30</b>	<b>30</b>	<b>0%</b>	<b>32%</b>	<b>43</b>	<b>60</b>	<b>38%</b>
<b>Gross profit margin</b>	<b>45%</b>	<b>55%</b>	<b>54%</b>	<b>(1%)</b>	<b>9%</b>	<b>45%</b>	<b>54%</b>	<b>9%</b>



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CHPP plant performance  
(Unit : THB million)

CHPP: VSPP	Q2/2016	Q1/2017	Q2/2017	Change		1H/2016	1H/2017	+ / (-)
				QoQ	YoY			
Sales volume of chilled water ('000 RT)	7,981	6,269	6,837	9%	(14%)	14,104	13,106	(7%)
Average selling price of chilled water (Baht/RT)	6.52	7.02	8.19	17%	26%	6.88	6.87	(0%)
Sales volume of power (GWh)	-	1.9	1.7	(11%)	n/a	-	3.6	n/a
Average selling price (Baht/kWh)	-	5.66	5.66	0%	n/a	-	5.66	n/a

Gross profit of the Combined Heat and Power Producing Company Limited (CHPP) in Q2/2017 was Baht 30 million. The gross profit did not change much when compared to Q1/2017; however, when compared to Q2/2016, the gross profit has increased by 32%. This is mainly because of the start of revenue recognition from CHPP Solar Cooperatives project which started Commercial Operation Date (COD) on 30 December 2016.

**Revenue and Cost of sales of goods and rendering of services****Q2/2017 VS Q1/2017 (QoQ)**

- Revenue in Q2/2017 rose slightly by Baht 1 million or 2% from Q1/2017 because the sales volume of chilled water slightly increased for 568 thousands Refrigeration-ton or 9% as the weather was becoming warmer. Furthermore, the price of chilled water rose following the increase of Ft rate.
- The cost of sales of goods and rendering of services increased marginally by Baht 1 million or 4% which correspond with the volume of chilled water sold and the increase in Ft rate.

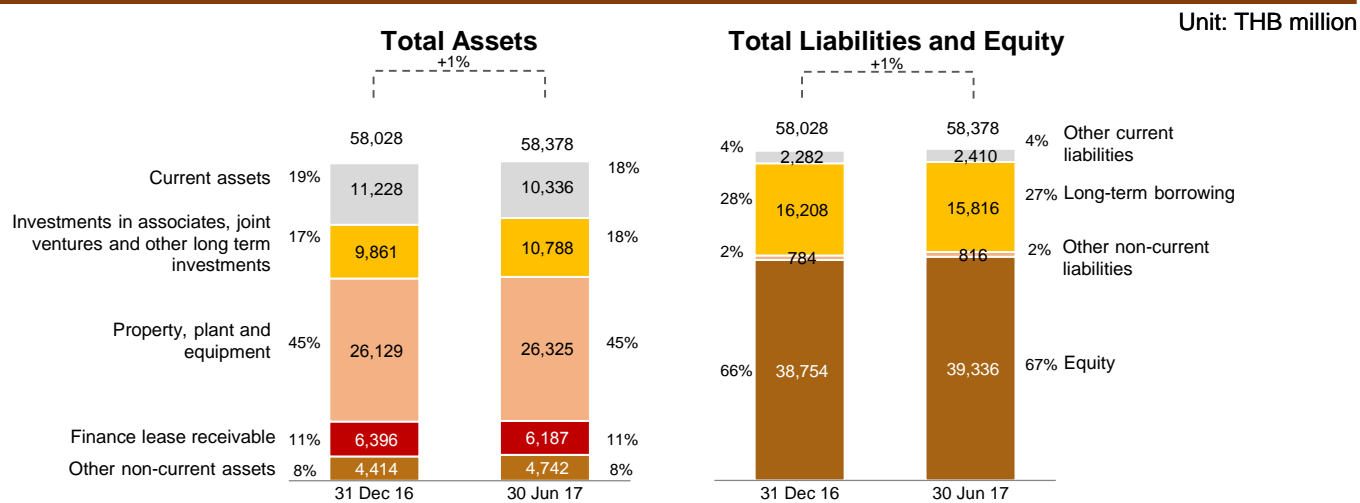
**Q2/2017 VS Q2/2016 (YoY)**

- Revenue in Q2/2017 rose by Baht 4 million or 8% which was resulted from the increase in electricity sales from the COD of CHPP Solar Cooperative project on 30 December 2016. However, the sales volume of chilled water decreased due to the colder weather because there were more rain during Q2/2017 than in Q2/2016.
- Cost of sales of goods and rendering of services in Q2/2017 slightly went down from the decrease in electricity cost following the volume of chilled water produced and sold decline.

**1H/2017 VS 1H/2016**

- The revenue of 1H/2017 increased by Baht 14 million or 14%. This is because of the revenue received from CHPP Solar Cooperative for Baht 21 million; although, the revenue from chilled water sold decreased by Baht 7 million or 7%, in relation to the volume of chilled water sold. The decrease in the sales volume of chilled water brought about the decrease in the cost of sales of goods and rendering of services by 5%.

### 3. Summary of financial position of the company and its subsidiaries



#### Assets

As at 30 June 2017, the total assets of GPSC and its subsidiaries were Baht 58,378 million, increased by Baht 350 million or 1% from 31 December 2016. The increase was resulted from the increase in investments in an associate and in fixed assets of the power plants. The details of significant changes are as follows:

- **Current assets** decreased by Baht 892 million or 8% mainly from
  - Cash and cash equivalents and short-term investments decreased by Baht 1,636 million or 21% mainly because of the cash payment for investing in the associate company.
  - Account receivable increased by Baht 778 million or 36% resulted from the increase of EGAT receivable balance as the dispatch volume rose from the end 2016.
- **Investments in associates and joint ventures** increased by Baht 927 million or 9%. The details are as follows:

Unit: THB million

Investments	Invested in 1H/2017	Share of profit (loss)	Decrease from dividend received	Translation adjustment of currency	Increase (Decrease)
<b>Investments in associates</b>					
- Bangpa-in Cogeneration Company Limited (BIC)	-	25	(20)	-	5
- Xayaburi Power company Limited (XPCL)	902	(10)	-	-	892
<b>Total investments in associates</b>	<b>902</b>	<b>15</b>	<b>(20)</b>	<b>-</b>	<b>897</b>
<b>Investments in joint ventures</b>					
- Thai Solar Renewable Company Limited (TSR)	-	150	(161)	-	(11)
- Nava Nakorn Electricity Generating Company Limited (NNEG)	-	54	-	-	54
- Nam Lik 1 Power Company Limited (NL1PC)	-	2	-	(15)	(13)
<b>Total investments in joint ventures</b>	<b>-</b>	<b>206</b>	<b>(161)</b>	<b>(15)</b>	<b>30</b>
<b>Total</b>	<b>902</b>	<b>221</b>	<b>(181)</b>	<b>(15)</b>	<b>927</b>

- **Finance lease receivable, net** decreased by Baht 209 million or 3% due to a gradual decline in the EGAT's financial lease receivable with respect to revenue recognition basis under TFRIC4.

Liabilities

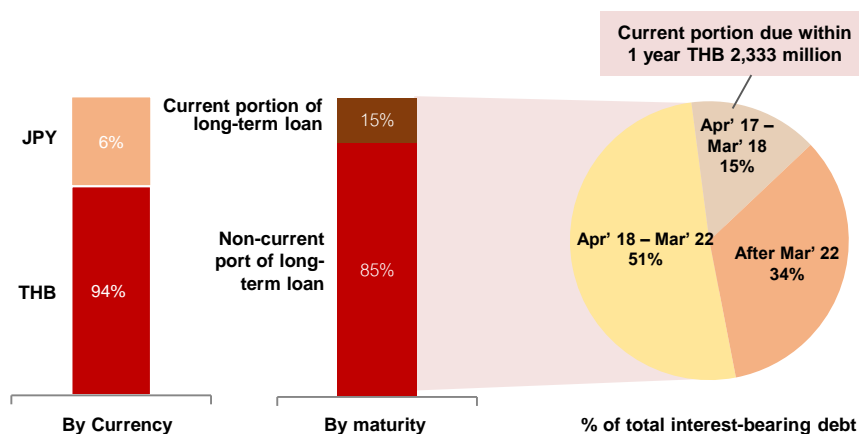
As at 30 June 2017, total liabilities of the company and its subsidiaries were Baht 19,042 million, decreased by Baht 232 million or 1% from 31 December 2016. This was mainly from the following determinants:

- **Trade payable** increased by Baht 579 million or 51% due to the increase in payable balance from natural gas consumption resulted from the usage volume at Sriracha Power Plant in June 2017 was higher than in December 2016, together with the higher of natural gas price compare to December 2016.
- **Long-term loan from financial institutions** decreased by Baht 392 million or 2% due to the repayment of long-term loan of GPSC while there were additional drawdowns to be used in constructing the power plants of IRPC Clean Power, CHPP, and Ichinoseki Solar Power 1 GK (ISP1), following the construction plans.
- **Construction and other payables** decreased by Baht 499 million or 48% from the payment of construction of IRPC-CP and CHPP plant.

• **Debt profile**

- The debt balance of the company and its subsidiaries as at 30 June 2017 was in Thai Baht currency and in Japanese Yen currency.
- All interest-bearing debt is long-term debt, which includes 15% current-portion amounting to Baht 2,333 million.
- Non-current portion of long-term debt was THB 13,483 million or 85% which will be repaid between July 2018 and June 2022.

Total interest-bearing debt: THB 15,816 million

Equity

As at 30 June 2017, the total shareholders' equity of the company and its subsidiaries was Baht 39,336 million, which increased by Baht 582 million or 2% from 31 December 2016, mainly from an increase in the unappropriated retained earnings for Baht 1,565 million and the increase in the non-controlling interests for Baht 88 million, thanks to the better performance of the company and the invested companies. In addition, the company paid-out dividend during Q2/2017 from the second half of 2016 operating result for Baht 1,049 million. Furthermore, there was the loss from currency translation reserve, amounting to Baht 22 million, recognized in statement of comprehensive income as at 30 June 2017.

#### 4. Liquidity analysis

For the first half of 2017, the company and its subsidiaries had a net decrease in cash and cash equivalents and short-term investments amounting to Baht 1,636 million largely resulting from the cash used in investing and financing activities.

##### Cash flow from operating activities

For the first half of 2017, the company and its subsidiaries had net cash gained from operating activities of Baht 1,997 million, which increased from cash received from operating activities for Baht 2,058 million net with the Corporate Income Tax payments of Baht 61 million.

##### Cash flow from investing activities

For the first half of 2017, the company and its subsidiaries had net cash used in investing activities of Baht 2,039 million due to the company and its subsidiaries had paid the construction payable and the business operating rights during the period amounting to Baht 1,204 million. The company also made additional investments in the additional capital paid-up in the associates amounting to Baht 902 million from Xayaburi Power Company Limited. Additionally the company has loaned capital to related to the company for Baht 211 million. While, GPSC received dividend income from Ratchaburi Power Company Limited (RPCL) for Baht 120 million and from the other invested companies amounting to Baht 158 million.

##### Cash flow from financing activities

For the first half of 2017, the company and its subsidiaries had net cash used in financing activities of Baht 1,594 million, mainly from cash outflow for dividend for Baht 1,049 million and for repayment of long-term loans from financial institutions amounting to Baht 803 million and the payment of interest and related expenses to financial institutions amounting to Baht 189 million, whereas there was cash received from IRPC-CP, CHPP and Ichinoseki Solar's additional drawdowns of long-term loans amounting to Baht 418 million for the constructions of the power plants.

Unit: THB million

	1H/2017
Net cash provided by operating activities	1,997
Net cash used in investing activities	(2,039)
Net cash used in financing activities	(1,594)
<b>Net decrease in cash and cash equivalents</b>	<b>(1,636)</b>
Cash and cash equivalents at the beginning of the period*	7,813
<b>Cash and cash equivalents at the end of the period*</b>	<b>6,177</b>

\* Include restricted cash and short-term investments

#### Analysis of sources of funds and usages

Unit: THB million

Sources of funds:	1H/2017
Net cash flow from operating activities	1,997
Interest received	45
Loans repayment and interest payment to financial institutions, net from principal drawdown	(575)
Dividend received (paid)	(816)

Unit: THB million

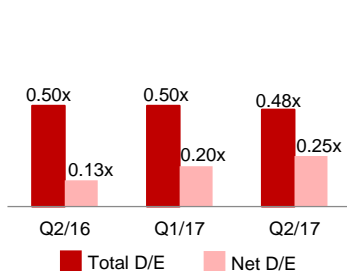
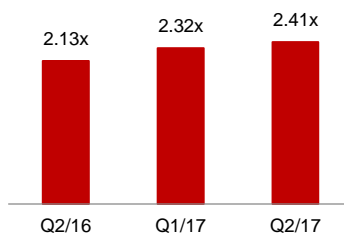
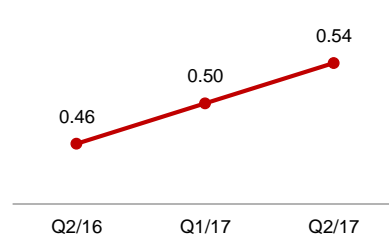
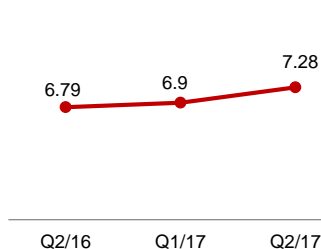
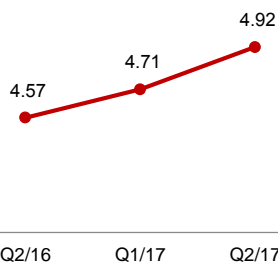
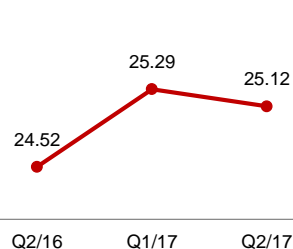
Usages of funds:	1H/2017
CAPEX and Fixed assets	1,204
Cash paid for investments in an associate	872




**5. Key financial ratios and information**

Key financial ratios	Unit	Q2/16	Q1/17	Q2/17
<b>Profitability ratios</b>				
Gross profit margin*	%	22.53	20.47	22.99
Net profit margin	%	13.06	13.68	15.28
<b>Leverage ratios</b>				
Interest coverage	Times	7.15	6.23	7.75
Net Debt to Equity (Net D/E)	Times	0.13	0.20	0.25
Total Debt to Equity (Total D/E)	Times	0.50	0.50	0.48
<b>Liquidity ratios</b>				
Current ratio	Times	3.32	2.53	2.29
Quick ratio	Times	2.93	2.18	1.93

\* Exclude costs of depreciation and amortization

**Total D/E and Net D/E ratios**  
 (Times)

**DSCR**  
 (Times)

**Earning per share (EPS)**  
 (Baht/share)

**ROE**  
 (%)

**ROA**  
 (%)

**Book value per share (BVPS)**  
 (Baht/share)



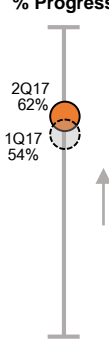
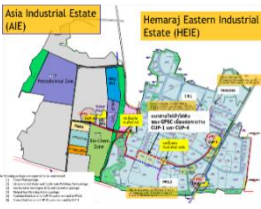
**Progress updates of project under construction**

Project	Project summary	Project updates as of Q2/2017	
<p><b>IRPC Clean Power Company Limited (IRPC-CP) Phase 2</b></p> 	<ul style="list-style-type: none"> <li>• <b>IRPC Clean Power Company Limited (IRPC-CP) Phase 2</b> which is a gas-fired SPP Cogeneration. When IRPC-CP Phase 2 starts commercial operation, it will grant IRPC-CP total project (including Phase 1 and 2) to have capacity of 240 megawatts of electricity and 170 to 300 ton per hour of steam. The project has 2 PPAs with EGAT (Firm type) at 90 megawatts each, lasting 25 years and, PPA with IRPC Group for 60 megawatts of electricity and 170 to 300 ton per hour of steam, lasting 27 years.</li> <li>• GPSC holds 51% of total shares.</li> <li>• Total investment : Baht 13,600 million</li> </ul>	<p><b>% Progress</b></p>  <p>2Q17 99% 1Q17 95%</p>	<p>The construction progress is 99.58%. The construction of 230 kV transmission line was completed and first synchronization process will be further proceeded. It is expected to SCOD in Q4/2017.</p>
<p><b>Bangpa-In Cogeneration Company Limited (BIC) Phase 2</b></p> 	<ul style="list-style-type: none"> <li>• <b>Bangpa-In Cogeneration Company Limited (BIC) Phase 2</b> is a gas-fired SPP Cogeneration, located in Bangpa-In Industrial Estate, Phra Nakhon Si Ayutthaya Province, with capacity of 117 megawatts of electricity and 20 tonnes per hour of steam. The project has power purchase agreement with EGAT (SPP Firm type) for 90 megawatts, 25 years, and will sell the rest of electricity and all of produced steam to industrial users in Bangpa-In Industrial Estate.</li> <li>• GPSC holds 25% of total shares.</li> <li>• Total investment: Baht 5,340 million</li> </ul>	<p><b>% Progress</b></p>  <p>2Q17 100%</p>	<p>The project has been 100% completed. Commercial Operation Date (COD) was on 29 June 2017.</p>
<p><b>Ichinoseki Solar Power 1GK (ISP1)</b></p> 	<ul style="list-style-type: none"> <li>• <b>Ichinoseki Solar Power 1GK (ISP1)</b> is a Solar Power Plant located in Ichinoseki City, Japan with capacity of 20.8 megawatts of electricity. The project has power purchase agreement with Tohoku Electric Power Company for 20 years at FiT rate of JPY 42 per unit (before tax).</li> <li>• GPSC holds 99% of total shares.</li> <li>• Total investment: approximately JPY 10,000 million</li> <li>• SCOD: Q4/2017</li> </ul>	<p><b>% Progress</b></p>  <p>2Q17 43% 1Q17 15%</p>	<p>The project progress reached 43.2 %. Construction contractor has started working in area B after the handover from site preparation contractor was completed.</p>
<p><b>Xayaburi Power Company Limited (XPCL)</b></p> 	<ul style="list-style-type: none"> <li>• <b>Xayaburi Power Company Limited (XPCL)</b> which is a Run-of-River Hydropower Plant located on Khong River, 100 kilometers from Southern of Luang Prabang in Lao People's Democratic Republic (Lao PDR), with capacity of 1,285 megawatts of electricity. The project has power purchase agreement with EGAT for 1,220 megawatts and with Electricite Du Laos (EDL) for 60 megawatts, where the agreement was granted for 2 more years for the concession, totaling of 31 years.</li> <li>• GPSC holds 25% of total shares.</li> <li>• Total investment: Baht 136,761 million</li> <li>• SCOD : October 2019</li> </ul>	<p><b>% Progress</b></p>  <p>2Q17 81% 1Q17 78%</p>	<p>Construction progress of the project continued as planned at 80.9% which appraised by the government of Lao PDR. Construction of power house, intermediate block and fish ladder also progressed as planned.</p>

Executive Summary

Financial Performance

Project Updates

Project	Project summary	Project updates as of Q2/2017	
<p><b>Nam Lik 1 Power Company Limited (NL1PC)</b></p> 	<ul style="list-style-type: none"> <li>• <b>Nam Lik 1 Power Company Limited (NL 1 PC)</b> is a Run-of-River Hydropower Plant located in the Northern of Vientiane, Capital City of Lao PDR, with capacity of 64.7 megawatts of electricity. The project has power purchase agreement with EDL for 63.8 megawatts, lasting 30 years.</li> <li>• GPSC holds 40% of total shares.</li> <li>• Total investment: USD 136 million</li> <li>• SCOD : Beginning of 2019</li> </ul>	<p><b>% Progress</b></p> 	<p>Construction progress of the project was 62% appraised by technical advisor. The progress was continuing well as planned.</p>
<p><b>Central Utility Plant Extended Project</b></p> 	<ul style="list-style-type: none"> <li>• <b>Central Utility Plant Extended Project</b> is a gas-fired Cogeneration located in Asia Industrial Estate, Rayong Province. The Phase 1 project will have capacity of 45 megawatts of electricity and 70 ton per hour of steam, which some portion of capacity is already secured with power purchase agreement with industrial users in Asia Industrial Estate and neighboring industrial estate, while the rest is under negotiation with other industrial users.</li> <li>• GPSC invests as business growth basis.</li> </ul>		<p>The project is now in the process of planning to integrate with CUP1 and CUP3 for the system's stability. This includes carefully planning in engineering and equipment design and contractor selection to proceed the project.</p>

## Financial formula

Ratios	Formula
Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue from sales of goods and rendering of services} + \text{Revenue from finance lease}}$
Net profit margin	$\frac{\text{Net profit}}{\text{Total Revenue}}$
Interest coverage ratio	$\frac{\text{Earnings before interest and tax expenses}}{\text{Interest expense}}$
Net Debt to Equity ratio	$\frac{\text{Interest bearing debts} - (\text{Cash and cash equivalents} + \text{Restricted cash} + \text{Current investments})}{\text{Total shareholder's equity}}$
Debt to Equity ratio	$\frac{\text{Total liabilities}}{\text{Total shareholder's equity}}$
Current Ratio	$\frac{\text{Total current assets}}{\text{Total current liabilities}}$
Quick Ratio	$\frac{\text{Cash and cash equivalents} + \text{Restricted cash} + \text{Current investments} + \text{Trade account receivable}}{\text{Total current liabilities}}$
Debt Service Coverage Ratio (DSCR)	$\frac{\text{EBITDA for DSCR for the last 12 months}}{\text{Principal and interest to be paid in the next 12 months}}$
Earning per share (EPS)	$\frac{\text{Net profit for the company}}{\text{Weighted average number of shares of the company}}$
ROE	$\frac{\text{Net profit for the company}}{\text{Average shareholder's equity}}$
ROA	$\frac{\text{Net profit for the last 12 months}}{\text{Average assets}}$
Book value per share (BVPS)	$\frac{\text{Shareholder's equity of the company}}{\text{Weighted average number of common shares of the company}}$

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