



# Management Discussion and Analysis

**For the Financial Result of Quarter 3 Year 2017**

**Ended September 30, 2017**

**Note:** This Management Discussion and Analysis (MD&A) was made to disclose information and the vision of the management in order to assist investors to better understand the company's financial status and operation. It also supports the "Good Corporate Governance Project" of the Securities and Exchange Commission (SEC).

An English version of the MD&A has been prepared from the Thai version. In the event of a conflict or a difference in interpretation between the two languages, the Thai version shall prevail.

The objective of this MD&A is to present the information and the explanation of financial status and operating results as of the date hereof. However, the information provided in this MD&A may vary if any factors or situation are changed in the future; the investors are, therefore, required to have their own discretion regarding the usage of this information for any purpose. For further detail, please contact Investor Relations Section of the Electricity Generating Public Company Limited at Tel: 662-998-5145-8 or Email: [ir@egco.com](mailto:ir@egco.com)

## Management Discussion and Analysis

### 1. Significant events in the third Quarter of 2017

#### 1.1 The progress in construction projects

##### 1.1.1 *Project completion*

- **Klongluang Utilities Company Limited**, (EGCO holds a 100% ownership interest.), is a cogeneration power plant project. The power plant has an installed capacity of 121 MW. The project is located in Klongnueng sub-district, Klonglaung district, Pathumthani province. The project has entered into the PPA with EGAT for 25 years with the contracted capacity of 90 MW. Additionally, the project has the 7 years contract with industrial user to sell 12 MW of electricity along with 13 tonnes per hour of steam output. The project is extendable for up to an additional every 2 years. Construction works of the project was completed and its operation started on July 20, 2017.

##### 1.1.2 *Progress of construction*

- **Banpong Utilities Company Limited**, (EGCO holds a 100% ownership interest.), consists of 2 units of cogeneration power plant project. The projects have an installed capacity of 128 MW each, which are located in Thapha sub-district, Banpong district, Ratchaburi province. The projects have entered into the PPAs with EGAT for 25 years with the contracted capacity of 90 MW each. Additionally, the projects have the 20 years contract with industrial user to sell electricity along with steam output. It consists of Power Plant Unit 1 and Unit 2 with an installed capacity of 23 MW along with 40 tonnes per hour and installed capacity of 17 MW along with 60 tonnes per hour, respectively. Construction works of the projects were completed and its operation started on October 1, 2017.

- **Masinloc Power Plant Project Unit 3**, an expansion unit of **Masinloc Power Partners CO., LTD. (MPPCL)**, (EGCO holds a 49% indirect ownership interest.), is a 335 MW (gross) supercritical coal-fired power plant, which will be co-located at the same campus of the existing 630 MW (2x315) plant Unit1-2 in Zambales province, Luzon of the Philippines. Power Supply Agreements for 134 MW has been executed and lodged with the Energy Regulatory Commission (ERC) for final approval. The project targets for 85% contracted by commercial operation date. The construction of the project has progressed 61.24% (The construction plan was 62.11%). The commercial operation date is scheduled in the midyear 2019
  
- **Xayaburi Project**, a project of the **Xayaburi Power Company Limited (Xayaburi)**, (EGCO holds a 12.50% ownership interest.), is a hydro power plant project, Run-of-River. The projects are located in the Laos People's Democratic Republic (Laos PDR). Xayaburi has entered into the PPA with EGAT with the contracted capacity of 1,220 MW and Electricite De Laos (EDL) with the contracted capacity of 60 MW for 29 years. The construction of the project has progressed 84.45% (The construction plan was 84.30%). The commercial operation date is scheduled in the fourth quarter of 2019.
  
- **SBPL Project**, a project of **San Buenaventura Power Ltd., Co.**, (EGCO holds a 49% ownership interest.), is a 500 MW supercritical coal-fired power plant, in Mauban, Quezon province of the Philippines. 455 MW of the plant's capacity and energy are contracted to the Manila Electric Company (MERALCO) pursuant to a 20 years power supply agreement which is extendable for up to an additional 5 years. The construction of the project has progressed 61.17% (The construction plan was 54.31%). The commercial operation date is scheduled in the fourth quarter of 2019.

## **1.2 Additional Investment in Joint Ventures and Associated**

- On July 14, 2017, **Star Energy Geothermal (Salak – Darajat) B.V. (SEGSD)**, which is the affiliate of EGCO (20.07% indirect ownership interest), Star Energy Group Holdings Pte. Ltd., and AC Energy Holding, Inc., has entered into Share Sale and Purchase Agreements with PT Austindo Nusantara Jaya Tbk (“ANJ”) to acquire 95% share of PT Darajat Geothermal Indonesia (“DGI”). DGI holds the participating interest of 5% in Darajat Geothermal Project Unit 2 and Unit 3, which have total capacity of 216 MW. Therefore, the transaction increase SEGSD’s indirect ownership interest in Darajat Geothermal Project Unit 2 and Unit 3 from 95% to 99.75% while SEGSD remains to hold 100% indirect ownership interest in Darajat Geothermal Project Unit 1. Consequently, the share transfer was completed on September 27, 2017.
- On September 4, 2017, EGCO has entered into a Shareholder’s Agreement of **Nam Theun 1 Power Company Limited (“NT1PC”)** in order to develop the Nam Theun 1 Hydropower Plant Project. The project is located in Nam Kading River in Bolikhamxay, Laos People’s Democratic Republic (Laos PDR). NT1PC’s shareholding structure consists of Phonesack Group Company Limited, EGCO and EDL-Generation Public Company in the proportion of 60%, 25% and 15%, respectively. Additionally, on September 23, 2017, NT1PC has entered into the PPA with EGAT with the contracted capacity of 514 MW and Electricite De Laos (EDL) with the contracted capacity of 130 MW for 27 years starting from the Commercial Operation Date in 2022.

## **2. Business overview**

EGCO Group has invested in the Independent Power Producer (IPP), Small Power Producer (SPP), Very Small Power Producer (VSPP), Coal Mining, Operating and Maintenance (O&M), Management and Administrative Services (Management Services). Details of each plant are as follows:

### **(1) Subsidiaries which can be categorized into 2 businesses:**

#### **1. Power Generation**

##### **1.1 Local power generation**

Khanom Electricity Generating Co., Ltd. (KEGCO)	IPP
EGCO Cogeneration Co., Ltd. (EGCO Cogen)	SPP
Roi-Et Green Co., Ltd. (Roi-Et Green)	SPP
Banpong Utilities Co., Ltd. (Banpong)	SPP
Klongluang Utilities Co., Ltd. (Klongluang)	SPP
Chaiyaphum Wind Farm Co., Ltd. (Chaiyaphum)	SPP
SPP Two Co., Ltd. (SPP 2)	VSPP
SPP Three Co., Ltd. (SPP 3)	VSPP
SPP Four Co., Ltd. (SPP 4)	VSPP
SPP Five Co., Ltd. (SPP 5)	VSPP
Yanhee EGCO Holding Co., Ltd. (Yanhee EGCO)	Holding Co.
● Solarco Company Limited (Solarco)	VSPP
Theppana Wind Farm Co., Ltd. (Theppana)	VSPP

##### **1.2 Overseas Power Generation**

Quezon Power (Philippines) Limited Co. (Quezon)
Boco Rock Wind Farm Pty Ltd. (Boco Rock)

#### **2. Other businesses**

##### **2.1 Local Other Businesses**

EGCO Engineering and Service Co., Ltd. (ESCO)	O&M
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##### **2.2 Overseas Other Businesses**

Pearl Energy Philippines Operating Inc. (PEPOI)	O&M
Quezon Management Service Inc. (QMS)	Management Services

**(2) Associated in overseas power generation business**

Star Energy Geothermal Pte. Ltd. (SEG)

Star Energy Geothermal (Salak – Darajat) B.V. (SEGSD)

**(3) Joint Ventures which can be categorized into 2 businesses:**

**1. Power Generation**

**1.1 Local power generation**

Gulf Electric Public Company Limited (GEC)	.....	Holding Co.
● Gulf Cogeneration Co., Ltd. (GCC)		SPP
● Nong Khae Cogeneration Co., Ltd. (NKCC)		SPP
● Samutprakarn Cogeneration Co., Ltd. (SCC)		SPP
● Gulf Yala Green Co., Ltd. (GYG)		SPP
● Gulf Power Generation Co., Ltd (GPG)		IPP
BLCP Power Limited (BLCP)		IPP
Natural Energy Development Co., Ltd. (NED)		SPP & VSPP
G-Power Source Co., Ltd. (GPS)		VSPP
GIDEC Company Limited (GIDEC)		VSPP

**1.2 Overseas power generation**

Nam Theun 2 Power Co., Ltd. (NTPC)

San Buenaventura Power Ltd. Co. (SBPL)

Masin-AES Pte. Ltd. (Masin-AES)

● Masinloc Power Partners Co., Ltd. (MPPCL)

Nam Theun 1 Power Co., Ltd. (NT1PC)

**2. Others businesses**

● **Overseas Other Business**

PT Manambang Muara Enim Co., Ltd. (MME) ..... Coal Mining

**(4) Other investments**

Other investments comprise long-term investment in securities :

- EGCO holds 18.72% of the outstanding shares in Eastern Water Resources Development and Management Public Company Limited (East Water).
- EGCO holds 12.50% of the outstanding shares in Xayaburi Power Company Limited (Xayaburi).

As of September 30, 2017, EGCO Group's portfolio consists of 27 operating power plants, with a total contracted capacity of 4,354 MW equity and 5 construction projects, with a total contracted capacity of 911 MW equity.

### 3. Report and Analysis of the Operating Results

EGCO would like to present analysis of the operation result as follows:

#### Summary of operating results for Q3/2017, Ended of September 30, 2017

Unit : Million Baht

	<i>Power Generation</i>		<i>Others</i>		<i>Total</i>		<i>Change Increase (Decrease)</i>	
	<i>Quarter 3</i>		<i>Quarter 3</i>		<i>Quarter 3</i>		<i>Quarter 3</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>Amount</i>	<i>%</i>
Total Revenues	8,600	8,059	183	251	8,783	8,310	473	6%
Total Expenses	(7,760)	(7,178)	(158)	(225)	(7,918)	(7,403)	515	7%
Share of Profit (Loss)	2,127	1,857	25	17	2,152	1,874	278	15%
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>2,967</b>	<b>2,738</b>	<b>50</b>	<b>43</b>	<b>3,017</b>	<b>2,781</b>	<b>236</b>	<b>8%</b>
Deferred income (expense) tax	(13)	(173)	-	(1)	(13)	(174)	161	93%
<b>Profit (Loss) before FX and impact of lease income</b>	<b>2,954</b>	<b>2,565</b>	<b>50</b>	<b>42</b>	<b>3,004</b>	<b>2,607</b>	<b>397</b>	<b>15%</b>
Profit (Loss) from FX	656	446	-	-	656	446	210	47%
<b>Net profit (Loss) before impact of lease income</b>	<b>3,610</b>	<b>3,011</b>	<b>50</b>	<b>42</b>	<b>3,660</b>	<b>3,053</b>	<b>607</b>	<b>20%</b>
Impact of lease income	(143)	(208)	-	-	(143)	(208)	65	31%
<b>Net Profit (Loss)</b>	<b>3,467</b>	<b>2,803</b>	<b>50</b>	<b>42</b>	<b>3,517</b>	<b>2,845</b>	<b>672</b>	<b>24%</b>

For focusing on the operating performance, the impact of lease income was excluded from the analysis of the operation result.

Profit from operation of EGCO Group before FX, deferred income tax, impairment and impact of lease income for Q3/2017 were 3,017 million Baht, increasing by 236 million Baht comparing to Q3/2016, which came from an increase in power generation business of 229 million Baht and an increase in other business of 7 million Baht. See more details in 3.1 and 3.2 as below;

### **3.1 The Analysis of the Operating Results in Power Generation business**

Profit (loss) before FX, deferred income tax, impairment and impact of lease income for Q3/2017 of power generation business increased by 229 million Baht, comparing to that of Q3/2016, mainly due to an increase in the operating results of BLCP, Boco Rock, Quezon, SEGSD, KLU, Masin-AES, GPG and SEG. On the other hand, those of KEGCO, EGCO and NTPC decreased as follows:

#### **BLCP:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	972	893	79	9%
- Energy Payment (EP)	1,307	1,223	84	7%
Other income	8	21	(13)	(62%)
<b>Total revenues</b>	<b>2,287</b>	<b>2,137</b>	<b>150</b>	<b>7%</b>
Cost of sale	(1,608)	(1,554)	54	3%
Other expenses	(157)	(159)	(2)	(1%)
<b>Total expenses</b>	<b>(1,765)</b>	<b>(1,713)</b>	<b>52</b>	<b>3%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>522</b>	<b>424</b>	<b>98</b>	<b>23%</b>

- **BLCP** : The operating result was increased by 98 million Baht from an increase in Availability Payment (AP) according to the PPA and electricity profit, caused by higher electricity generation from a shorter planned maintenance than the same period last year.



**BOCO ROCK:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	380	273	107	39%
<i>Other income</i>	2	2	-	-
<b>Total revenues</b>	<b>382</b>	<b>275</b>	<b>107</b>	<b>39%</b>
<i>Cost of sale</i>	(112)	(101)	11	11%
<i>Other expenses</i>	(122)	(101)	21	21%
<b>Total expenses</b>	<b>(234)</b>	<b>(202)</b>	<b>32</b>	<b>16%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>148</b>	<b>73</b>	<b>75</b>	<b>103%</b>

- **BOCO ROCK** : The operating result was increased by 75 million Baht due to higher wind speed, comparing to the same period last year, leading to higher electricity generation.

**Quezon (Include PEPOI and QMS):**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	2,827	2,550	277	11%
<i>Other income</i>	-	-	-	-
<b>Total revenues</b>	<b>2,827</b>	<b>2,550</b>	<b>277</b>	<b>11%</b>
<i>Cost of sale</i>	(1,466)	(1,233)	233	19%
<i>Other expenses</i>	(399)	(418)	(19)	(5%)
<b>Total expenses</b>	<b>(1,865)</b>	<b>(1,651)</b>	<b>214</b>	<b>13%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>962</b>	<b>899</b>	<b>63</b>	<b>7%</b>

- **Quezon** : The operating result was increased by 63 million Baht mainly due to an increase in electricity profit from higher electricity generation. This was resulted from the unplanned outages in the same period last year. Besides, finance costs was down by repricing of loan interest.

**SEGSD:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	306	-	306	100%
<i>Other income</i>	-	-	-	-
<b>Total revenues</b>	<b>306</b>	<b>-</b>	<b>306</b>	<b>100%</b>
<i>Cost of sale</i>	(41)	-	41	100%
<i>Other expenses</i>	(217)	-	217	100%
<b>Total expenses</b>	<b>(258)</b>	<b>-</b>	<b>258</b>	<b>100%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>48</b>	<b>-</b>	<b>48</b>	<b>100%</b>

- **SEGSD** : The operating result was increased by 48 million Baht mainly due to EGCO's indirect ownership interest in SEGSD at 11.89% on March 31, 2017.

**Klongluang:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	416	-	416	100%
<i>Other income</i>	-	-	-	-
<b>Total revenues</b>	<b>416</b>	<b>-</b>	<b>416</b>	<b>100%</b>
<i>Cost of sale</i>	(335)	-	(335)	(100%)
<i>Other expenses</i>	(54)	(6)	48	800%
<b>Total expenses</b>	<b>(389)</b>	<b>(6)</b>	<b>383</b>	<b>100%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>27</b>	<b>(6)</b>	<b>33</b>	<b>100%</b>

- **Klongluang** : The operating result was increased by 33 million Baht. This was resulted from the commencement of Klongluang on July 20, 2017.

**Masin-AES:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	1,915	1,690	225	13%
Other income	-	-	-	-
<b>Total revenues</b>	<b>1,915</b>	<b>1,690</b>	<b>225</b>	<b>13%</b>
Cost of sale	(1,162)	(892)	270	30%
Other expenses	(392)	(465)	(73)	(16%)
<b>Total expenses</b>	<b>(1,554)</b>	<b>(1,357)</b>	<b>197</b>	<b>15%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>361</b>	<b>333</b>	<b>28</b>	<b>8%</b>

- **Masin-AES** : The operating result was increased by 28 million Baht mainly due to a decrease of administrative expenses and interest expenses. Whereas, electricity profit was down, caused by more unplanned outage than the same period last year.

**GPG:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
Electricity revenue				
- Availability Payment (AP)	619	612	7	1%
- Energy Payment (EP)	457	722	(265)	(37%)
Other income	6	10	(4)	(40%)
<b>Total revenues</b>	<b>1,082</b>	<b>1,344</b>	<b>(262)</b>	<b>(19%)</b>
Cost of sale	(645)	(909)	(264)	(29%)
Other expenses	(134)	(156)	(22)	(14%)
<b>Total expenses</b>	<b>(779)</b>	<b>(1,065)</b>	<b>(286)</b>	<b>(27%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>303</b>	<b>279</b>	<b>24</b>	<b>9%</b>

- **GPG** : The operating result was increased by 24 million Baht by a reason of decrease in administrative expenses and interest expenses.

**SEG:**

Unit : Million Baht

	<b>Quarter 3</b>		<b>Change Increase (Decrease)</b>	
	<b>2017</b>	<b>2016</b>	<b>Amount</b>	<b>%</b>
<i>Electricity revenue</i>	521	316	205	65%
<i>Other income</i>	47	1	46	100%
<b>Total revenues</b>	<b>568</b>	<b>317</b>	<b>251</b>	<b>79%</b>
<i>Cost of sale</i>	(93)	(76)	17	22%
<i>Other expenses</i>	(280)	(58)	222	383%
<b>Total expenses</b>	<b>(373)</b>	<b>(134)</b>	<b>239</b>	<b>178%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>195</b>	<b>183</b>	<b>12</b>	<b>7%</b>

- **SEG** : The operating result was increased by 12 million Baht mainly due to an increase in electricity profit from higher tariff rate than the same period last year and recognition of operating performance of SEGSD. Meanwhile, finance costs was increased, caused by loans for invested in SEGSD at 40.90% (8.18% indirect ownership interest of EGCO). Corporate income tax expense was increased since the utilization of tax loss carry forward led to no corporate income tax in Q3/2016.

**KEGCO**

● **Khanom Power Plant Unit 4:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	1,112	1,273	(161)	(13%)
- Energy Payment (EP)	2,520	2,808	(288)	(10%)
Other income	3	1	2	200%
<b>Total revenues</b>	<b>3,635</b>	<b>4,082</b>	<b>(447)</b>	<b>(11%)</b>
<i>Cost of sale</i>	(2,931)	(3,193)	(262)	(8%)
<i>Other expenses</i>	(282)	(329)	(47)	(14%)
<b>Total expenses</b>	<b>(3,213)</b>	<b>(3,522)</b>	<b>(309)</b>	<b>(9%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>422</b>	<b>560</b>	<b>(138)</b>	<b>(25%)</b>

● **Khanom Power Plant Unit 2 and 3:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	-	-	-	-
- Energy Payment (EP)	-	-	-	-
Other income	5	3	2	67%
<b>Total revenues</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>67%</b>
<i>Cost of sale</i>	-	-	-	-
<i>Other expenses</i>	(18)	(34)	(16)	(47%)
<b>Total expenses</b>	<b>(18)</b>	<b>(34)</b>	<b>(16)</b>	<b>(47%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>(13)</b>	<b>(31)</b>	<b>18</b>	<b>58%</b>

- **KEGCO** : The operating result was decreased totalling 120 million Baht mainly due to a decrease of Availability Payment (AP) according to the PPA and Baht appreciation, comparing to the same period of the previous year.

**EGCO:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	-	-	-	-
Other income	189	168	21	13%
<b>Total revenues</b>	<b>189</b>	<b>168</b>	<b>21</b>	<b>13%</b>
Cost of sale	-	-	-	-
Other expenses	(1,045)	(993)	52	5%
<b>Total expenses</b>	<b>(1,045)</b>	<b>(993)</b>	<b>52</b>	<b>5%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>(856)</b>	<b>(825)</b>	<b>(31)</b>	<b>(4%)</b>

- **EGCO** : The operating result was down 31 million Baht owing to an increase of loan interest expense for investment in SEGSD and NT1PC.

**NTPC:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	842	886	(44)	(5%)
Other income	1	2	(1)	(50%)
<b>Total revenues</b>	<b>843</b>	<b>888</b>	<b>(45)</b>	<b>(5%)</b>
Cost of sale	(222)	(233)	(11)	(5%)
Other expenses	(173)	(204)	(31)	(15%)
<b>Total expenses</b>	<b>(395)</b>	<b>(437)</b>	<b>(42)</b>	<b>(10%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>448</b>	<b>451</b>	<b>(3)</b>	<b>(1%)</b>

- **NTPC** : The operating result was decreased by 3 million Baht by a reason of decrease in electricity generation for selling to Electricite Du Laos (EDL). Whereas, interest expense was decreased.

**Other Subsidiaries in Power Generation business:**

Unit : Million Baht

	Rayong Power Plant		Yanhee EGCO		Roi-Et Green		SPP 2		SPP 3		SPP 4		SPP 5	
	Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Electricity revenue	-	-	318	315	40	41	42	43	42	44	31	33	44	45
Other income	3	24	2	3	-	-	12	-	-	1	-	1	-	-
<b>Total revenues</b>	<b>3</b>	<b>24</b>	<b>320</b>	<b>318</b>	<b>40</b>	<b>41</b>	<b>54</b>	<b>43</b>	<b>42</b>	<b>45</b>	<b>31</b>	<b>34</b>	<b>44</b>	<b>45</b>
Cost of sale	-	-	(84)	(80)	(45)	(38)	(13)	(14)	(13)	(13)	(10)	(10)	(13)	(13)
Other expenses	(17)	(36)	(88)	(97)	(3)	(4)	(12)	(13)	(11)	(13)	(9)	(11)	(11)	(12)
<b>Total expenses</b>	<b>(17)</b>	<b>(36)</b>	<b>(172)</b>	<b>(177)</b>	<b>(48)</b>	<b>(42)</b>	<b>(25)</b>	<b>(27)</b>	<b>(24)</b>	<b>(26)</b>	<b>(19)</b>	<b>(21)</b>	<b>(24)</b>	<b>(25)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>(14)</b>	<b>(12)</b>	<b>148</b>	<b>141</b>	<b>(8)</b>	<b>(1)</b>	<b>29</b>	<b>16</b>	<b>18</b>	<b>19</b>	<b>12</b>	<b>13</b>	<b>20</b>	<b>20</b>

**Other Subsidiaries in Power Generation business (continue) :**

Unit : Million Baht

	Theppana		EGCO Cogen		Chaiyaphum*		North Pole		Banpong**		Total		Change Increase (Decrease)		
	Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	Amount	%	
Electricity revenue	11	13	431	418	168	-	-	-	-	-	-	1,127	952	175	18%
Other income	-	-	-	-	1	-	1	1	-	-	19	30	(11)	(37%)	
<b>Total revenues</b>	<b>11</b>	<b>13</b>	<b>431</b>	<b>418</b>	<b>169</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1,146</b>	<b>982</b>	<b>164</b>	<b>17%</b>	
Cost of sale	(7)	(7)	(368)	(353)	(88)	-	-	-	-	-	(641)	(528)	113	21%	
Other expenses	(6)	(7)	(18)	(21)	(56)	(3)	(94)	(7)	(30)	(19)	(355)	(243)	112	46%	
<b>Total expenses</b>	<b>(13)</b>	<b>(14)</b>	<b>(386)</b>	<b>(374)</b>	<b>(144)</b>	<b>(3)</b>	<b>(94)</b>	<b>(7)</b>	<b>(30)</b>	<b>(19)</b>	<b>(996)</b>	<b>(771)</b>	<b>225</b>	<b>29%</b>	
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>(2)</b>	<b>(1)</b>	<b>45</b>	<b>44</b>	<b>25</b>	<b>(3)</b>	<b>(93)</b>	<b>(6)</b>	<b>(30)</b>	<b>(19)</b>	<b>150</b>	<b>211</b>	<b>(61)</b>	<b>(29%)</b>	

\* The commercial operation date of Chaiyaphum was on December 16, 2016.

\*\* The commercial operation date of Banpong was on October 1, 2017.

**Other Joint Ventures in Power Generation business:**

Unit : Million Baht

	GPS (JV)		GEC (JV)		NED (JV)		GIDEC (JV)		*Other (JV)		Total		Change Increase (Decrease)	
	Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	Amount	%
Electricity revenue	68	71	955	937	228	222	24	24	-	-	1,275	1,254	21	2%
Other income	-	-	5	4	2	1	-	-	4	-	11	5	6	120%
<b>Total revenues</b>	<b>68</b>	<b>71</b>	<b>960</b>	<b>941</b>	<b>230</b>	<b>223</b>	<b>24</b>	<b>24</b>	<b>4</b>	<b>-</b>	<b>1,286</b>	<b>1,259</b>	<b>27</b>	<b>2%</b>
Cost of sale	(24)	(26)	(813)	(800)	(60)	(63)	(19)	(17)	-	-	(916)	(906)	10	1%
Other expenses	(13)	(15)	(55)	(53)	(33)	(39)	(11)	(12)	(8)	(47)	(120)	(166)	(46)	(28%)
<b>Total expenses</b>	<b>(37)</b>	<b>(41)</b>	<b>(868)</b>	<b>(853)</b>	<b>(93)</b>	<b>(102)</b>	<b>(30)</b>	<b>(29)</b>	<b>(8)</b>	<b>(47)</b>	<b>(1,036)</b>	<b>(1,072)</b>	<b>(36)</b>	<b>(3%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>31</b>	<b>30</b>	<b>92</b>	<b>88</b>	<b>137</b>	<b>121</b>	<b>(6)</b>	<b>(5)</b>	<b>(4)</b>	<b>(47)</b>	<b>250</b>	<b>187</b>	<b>63</b>	<b>34%</b>

\* SBPL and NT1PC are under construction.

**3.2 The Analysis of the Operating Results in Other businesses**

Profit (loss) from operation before FX, deferred income tax, impairment and impact of lease income for Q3/2017 in other businesses increasing by 7 million Baht comparing to Q3/2016 as the following details:

**Subsidiaries and Joint Ventures in Other business:**

Unit : Million Baht

	ESCO (Sub)		MME (JV)		Total		Change Increase (Decrease)	
	Quarter 3		Quarter 3		Quarter 3		Quarter 3	
	2017	2016	2017	2016	2017	2016	Amount	%
Revenue	-	-	187	126	187	126	61	48%
Service income	181	249	-	-	181	249	(68)	(27%)
Other income	2	2	1	1	3	3	-	-
<b>Total revenues</b>	<b>183</b>	<b>251</b>	<b>188</b>	<b>127</b>	<b>371</b>	<b>378</b>	<b>(7)</b>	<b>(2%)</b>
Cost of sale	(134)	(202)	(149)	(102)	(283)	(304)	(21)	(7%)
Other expenses	(24)	(23)	(14)	(8)	(38)	(31)	7	23%
<b>Total expenses</b>	<b>(158)</b>	<b>(225)</b>	<b>(163)</b>	<b>(110)</b>	<b>(321)</b>	<b>(335)</b>	<b>(14)</b>	<b>(4%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>25</b>	<b>26</b>	<b>25</b>	<b>17</b>	<b>50</b>	<b>43</b>	<b>7</b>	<b>16%</b>



**Summary of operating results for 9M/2017, Ended of September 30, 2017**

Unit : Million Baht

	<i>Power Generation</i>		<i>Others</i>		<i>Total</i>		<i>Change Increase (Decrease)</i>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>%</u>
Total Revenues	23,204	17,920	672	835	23,876	18,755	5,121	27%
Total Expenses	(21,695)	(16,737)	(606)	(743)	(22,301)	(17,480)	4,821	28%
Share of Profit (Loss)	6,231	5,783	56	22	6,287	5,805	482	8%
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>7,740</b>	<b>6,966</b>	<b>122</b>	<b>114</b>	<b>7,862</b>	<b>7,080</b>	<b>782</b>	<b>11%</b>
Loss from impairment	(21)	(196)	-	-	(21)	(196)	175	89%
<b>Profit (Loss) before FX, deferred income tax and impact of lease income</b>	<b>7,719</b>	<b>6,770</b>	<b>122</b>	<b>114</b>	<b>7,841</b>	<b>6,884</b>	<b>957</b>	<b>14%</b>
Deferred income (expense) tax	142	(152)	-	3	142	(149)	291	195%
<b>Profit (Loss) before FX and impact of lease income</b>	<b>7,861</b>	<b>6,618</b>	<b>122</b>	<b>117</b>	<b>7,983</b>	<b>6,735</b>	<b>1,248</b>	<b>19%</b>
Profit (Loss) from FX	2,577	1,024	-	-	2,577	1,024	1,553	152%
<b>Net profit (Loss) before impact of lease income</b>	<b>10,438</b>	<b>7,642</b>	<b>122</b>	<b>117</b>	<b>10,560</b>	<b>7,759</b>	<b>2,801</b>	<b>36%</b>
Impact of lease income	(550)	(277)	-	-	(550)	(277)	(273)	(99%)
<b>Net Profit (Loss)</b>	<b>9,888</b>	<b>7,365</b>	<b>122</b>	<b>117</b>	<b>10,010</b>	<b>7,482</b>	<b>2,528</b>	<b>34%</b>

#### 4. Cash Flow Analysis

As of September 30, 2017 cash and cash equivalents were 7,457 million Baht, increasing by 2,969 million Baht comparing to December 31, 2016. The details are as follows:

	Unit: Million Baht
Net cash <u>received from</u> operating activities	7,517
Net cash <u>payment for</u> investing activities	(2,290)
Net cash <u>payment for</u> financing activities	(2,064)
Loss from the effect of foreign exchange rate	(194)
	<hr/>
Net increase in cash	<u>2,969</u>

- **Net cash received from operating activities** was 7,517 million Baht from operating of EGCO and its subsidiaries.

- **Net cash payment for investing activities** was 2,290 million Baht, by reason of construction costs and development costs of Banpong, Chaiyaphum and Klongluang were 3,374 million Baht. Investment in SEGSD and NT1PC were 2,728 million Baht. Equity injection in Xayaburi was 572 million Baht and Cash payments for short-term and long-term investments were 148 million Baht. Meanwhile, the dividend received from joint ventures and other company were 3,856 million Baht. Short-term and long-term deposits used as collateral were 524 million Baht and interest income was 152 million Baht.

- **Net cash payment for financing activities** was 2,064 million Baht, resulted from the principle repayment of short-term and long-term loans were 8,556 million Baht, the dividend payment to shareholders was 3,586 million Baht and interest payment of loans and financing fees were 3,134 million Baht. Meanwhile, the drawn down loans was 13,212 million Baht.

## 5. Financial Ratios

### **Profitability Ratios**

	<u>Quarter 3</u>		<u>Change</u>
	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease)</u>
Gross Profit Ratio (%)	38.39	37.44	0.95
Operating Profit Ratio before FX (%)	32.19	30.53	1.66
Profit Ratio before FX (%)	17.41	16.22	1.19
Profit before FX per share (Baht)	5.71	4.95	0.76

### **Leverage Ratio and Liquidity Ratio**

	<u>Quarter 3</u>	<u>Quarter 2</u>	<u>Change</u>
	<u>2017</u>	<u>2017</u>	<u>Increase/(Decrease)</u>
<i>Debt to equity ratio (Time)</i>			
- Consolidated	1.34	1.36	(0.02)
- Company	0.87	0.87	-
<i>Book value per share (Baht)</i>			
- Consolidated	163.18	161.63	1.55
- Company	116.58	115.31	1.27
<i>Current ratio (Time)</i>			
- Consolidated	1.23	1.98	(0.75)
- Company	1.19	1.98	(0.79)
<i>Interest Coverage Ratio (Time)</i>			
- Company	5.46	4.67	0.79