



Management Discussion and Analysis

For the Financial Result of Quarter 1 Year 2018

Ended March 31, 2018

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: 662-998-5150-2 or Email: ir@egco.com

Management Discussion and Analysis

1. Significant events in the first Quarter of 2018

1.1 The progress in construction projects

1.1.1 Process of construction

- **Xayaburi Project**, a project of the **Xayaburi Power Company Limited**, (EGCO holds a 12.50% ownership interest.), is a hydro power plant project, Run-of-River. The project is located in the Laos People's Democratic Republic (Laos PDR). The project 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 91.58% (The construction plan was 91.70%). 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 83.98% (The construction plan was 84.12%). The commercial operation date is scheduled in the fourth quarter of 2019.

- **NT1PC Project**, a project of **Nam Theun 1 Power Company Limited** (EGCO holds a 25% ownership interest.), is a hydro power plant project. The project is located on Nam Kading River in Bolikhamxay, Laos PDR. The project has entered into the PPA with EGAT with the contracted capacity of 514 MW and EDL with the contracted capacity of 130 MW for 27 years. The construction of the project has progressed 25.52% (The construction plan was 35.50%). The commercial operation date is scheduled in the second quarter of 2022.

1.2 Other significant events

- On March 14, 2018, EGCO divested all 18.72% shares in Eastern Water Resources Development and Management Public Company Limited to Manila Water Company Inc. EGCO Group recognised gain on disposal totalling 4,358 million Baht.
- On March 15, 2018, EGCO divested all 50% shares in GIDEC Company Limited to IEC Green Energy Company Limited. EGCO Group recognised gain on disposal totalling 9 million Baht.
- On March 20, 2018, Gen Plus B.V., a wholly owned subsidiary of EGCO, divested all 49% indirect shares in MASINLOC POWER PARTNERS CO. LTD. (MPPCL) to SMC Global Power Holdings Corp. EGCO Group recognised gain on disposal totalling 320 million US dollar, equivalent to 9,795 million Baht.

2. Business overview

EGCO Group have 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 as at March 31, 2018 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. (RG) | SPP |
| Banpong Utilities Co., Ltd. (BPU) | SPP |
| Klongluang Utilities Co., Ltd. (KLU) | SPP |
| Chaiyaphum Wind Farm Co., Ltd. (CWF) | 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. (TWF) | VSPP |
| EGCO Plus Co., Ltd. (EGCO Plus) | Holding Co. |

1.2 Overseas Power Generation

Quezon Power (Philippines) Limited Co. (Quezon)

Boco Rock Wind Farm Pty Ltd. (BRWF)

2. Other businesses

2.1 Local Other Businesses

EGCO Engineering and Service Co., Ltd. (ESCO)

O&M

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

1.2 Overseas power generation

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

San Buenaventura Power Ltd. Co. (SBPL)

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 12.50% of the outstanding shares in Xayaburi Power Company Limited (XPCL).

As of March 31, 2018, EGCO Group's portfolio consists of 26 operating power plants, with a total contracted capacity of 4,260 MW equity and 3 construction projects, with a total contracted capacity of 544 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 Q1/2018, Ended of March 31, 2018

Unit: Million Baht

| | Power Generation | | Others | | Total | | Change <u>Increase (Decrease)</u> | |
|---|------------------|--------------|------------------|-------------|------------------|--------------|--------------------------------------|-------------|
| | <u>Quarter 1</u> | | <u>Quarter 1</u> | | <u>Quarter 1</u> | | <u>Quarter 1</u> | |
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> | <u>Amount</u> | <u>%</u> |
| Total Revenues | 8,770 | 6,755 | 446 | 322 | 9,216 | 7,077 | 2,139 | 30% |
| Total Expenses | (8,664) | (6,715) | (378) | (292) | (9,042) | (7,007) | 2,035 | 29% |
| Share of Profit (Loss) | 1,775 | 1,688 | 27 | 19 | 1,802 | 1,707 | 95 | 6% |
| Gain on disposal of investment | 14,162 | - | - | - | 14,162 | - | 14,162 | 100% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 16,043 | 1,728 | 95 | 49 | 16,138 | 1,777 | 14,361 | 100% |
| Loss from impairment | - | (21) | - | - | - | (21) | 21 | (100%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 16,043 | 1,707 | 95 | 49 | 16,138 | 1,756 | 14,382 | 100% |
| Deferred income (expense) tax | 65 | 128 | - | 1 | 65 | 129 | (64) | (50%) |
| Profit (Loss) before the effects of foreign exchange and lease income | 16,108 | 1,835 | 95 | 50 | 16,203 | 1,885 | 14,318 | 100% |
| Profit (Loss) from foreign exchange | 3,886 | 1,400 | - | (1) | 3,886 | 1,399 | 2,487 | 100% |
| Net profit (Loss) before the impact of lease income | 19,994 | 3,235 | 95 | 49 | 20,089 | 3,284 | 16,805 | 100% |
| Impact of lease income | 82 | (321) | - | - | 82 | (321) | 403 | 100% |
| Net Profit (Loss) | 20,076 | 2,914 | 95 | 49 | 20,171 | 2,963 | 17,208 | 100% |

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

Profit from operation of EGCO Group before the effects of foreign exchange, deferred income tax, impairment and lease income for Q1/2018 were 16,138 million Baht, increasing by 14,361 million Baht comparing to Q1/2017, which came from an increase in power generation business of 14,315 million Baht and an increase in other business of 46 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 the effects of foreign exchange, deferred income tax, impairment and lease income for Q1/2018 of power generation business increased by 14,315 million Baht, comparing to that of Q1/2017, mainly due to an increase in the operating results of EGCO Plus, EGCO, KEGCO, SEG, BPU, NTPC, SEGSD, GPG, BLCP and KLU. On the other hand, those of Quezon and BRWF decreased as follows:

| | <i>EGCO Plus (Include Gen Plus B.V.):</i> | | Unit : Million Baht | |
|---|--|--------------------|----------------------|-----------------|
| | <i>Quarter 1</i> | | <i>Change</i> | |
| | <i>2018</i> | <i>2017</i> | <i>Amount</i> | <i>%</i> |
| <i>Electricity revenue</i> | - | - | - | - |
| <i>Other income</i> | 4 | 1 | 3 | 100% |
| <i>Gain on disposal of investment</i> | 9,795 | - | 9,795 | 100% |
| <i>Total revenues</i> | 9,799 | 1 | 9,798 | 100% |
| <i>Cost of sale</i> | - | - | - | - |
| <i>Other expenses</i> | (21) | (8) | 13 | 100% |
| <i>Total expenses</i> | (21) | (8) | 13 | 100% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 9,778 | (7) | 9,785 | 100% |

- **EGCO Plus** : The operating result was increased by 9,785 million Baht mainly due to recognition of gain on disposal of 49% indirect shares in MPPCL.

EGCO:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|--------------|----------------------------|--------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase (Decrease)</u> | |
| | | | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | - | - | - | - |
| <i>Other income</i> | 124 | 105 | 19 | 18% |
| <i>Gain on disposal of investment</i> | 4,367 | - | 4,367 | 100% |
| Total revenues | 4,491 | 105 | 4,386 | 100% |
| <i>Cost of sale</i> | - | - | - | - |
| <i>Other expenses</i> | (841) | (979) | (138) | (14%) |
| Total expenses | (841) | (979) | (138) | (14%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 3,650 | (874) | 4,524 | 100% |

- **EGCO** : The operating result was increased by 4,524 million Baht mainly due to recognition of gain on disposal of shares in East Water and GIDEC. Additionally, expenses were down by stopped the amortization of right to PPA of MPPCL.

KEGCO:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|----------------|----------------------------|------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase (Decrease)</u> | |
| | | | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | | | | |
| - <i>Availability Payment (AP)</i> | 1,082 | 967 | 115 | 12% |
| - <i>Energy Payment (EP)</i> | 2,599 | 2,254 | 345 | 15% |
| <i>Other income</i> | 6 | 7 | (1) | (14%) |
| Total revenues | 3,687 | 3,228 | 459 | 14% |
| <i>Cost of sale</i> | (2,992) | (2,671) | 321 | 12% |
| <i>Other expenses</i> | (291) | (328) | (37) | (11%) |
| Total expenses | (3,283) | (2,999) | 284 | 9% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 404 | 229 | 175 | 76% |

- **KEGCO** : The operating result was increased by 175 million Baht mainly due to an increase in Availability Payment (AP) and electricity profit, caused by a scheduled maintenance in Q1/2017. Additionally, interest expense was decreased.

SEG:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|--------------|----------------------------|-------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase (Decrease)</u> | |
| | | | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 497 | 314 | 183 | 58% |
| <i>Other income</i> | 1 | 1 | - | - |
| Total revenues | 498 | 315 | 183 | 58% |
| <i>Cost of sale</i> | (97) | (75) | 22 | 29% |
| <i>Other expenses</i> | (278) | (282) | (4) | (1%) |
| Total expenses | (375) | (357) | 18 | 5% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 123 | (42) | 165 | 100% |

- **SEG** : The operating result was increased by 165 million Baht mainly due to share of profits from 40.90% (8.18% indirect shares of EGCO) ownership in SEGSD which was invested since March 31, 2017.

BPU:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|-------------|----------------------------|-------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase (Decrease)</u> | |
| | | | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 1,173 | - | 1,173 | 100% |
| <i>Other income</i> | - | - | - | - |
| Total revenues | 1,173 | - | 1,173 | 100% |
| <i>Cost of sale</i> | (935) | - | 935 | 100% |
| <i>Other expenses</i> | (112) | (7) | 105 | 100% |
| Total expenses | (1,047) | (7) | 1,040 | 100% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 126 | (7) | 133 | 100% |

- **BPU** : The operating result was increased by 133 million Baht. This was resulted from the commencement of BPU on October 1, 2017.

NTPC:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|--------------|----------------------------|--------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase (Decrease)</u> | |
| | | | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 782 | 764 | 18 | 2% |
| <i>Other income</i> | 2 | 2 | - | - |
| Total revenues | 784 | 766 | 18 | 2% |
| <i>Cost of sale</i> | (209) | (238) | (29) | (12%) |
| <i>Other expenses</i> | (154) | (184) | (30) | (16%) |
| Total expenses | (363) | (422) | (59) | (14%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 421 | 344 | 77 | 22% |

- **NTPC** : The operating result was increased by 77 million Baht mainly due to higher electricity generation, comparing to the same period of previous year, caused by a scheduled maintenance in Q1/2017. Additionally, interest expense was decreased.

SEGSD:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|-------------|----------------------------|-------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase (Decrease)</u> | |
| | | | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 313 | - | 313 | 100% |
| <i>Other income</i> | 2 | - | 2 | 100% |
| Total revenues | 315 | - | 315 | 100% |
| <i>Cost of sale</i> | (63) | - | 63 | 100% |
| <i>Other expenses</i> | (171) | - | 171 | 100% |
| Total expenses | 234 | - | 234 | 100% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 81 | - | 81 | 100% |

- **SEGSD** : The operating result was increased by 81 million Baht mainly due to EGCO's indirect shares in SEGSD at 11.89% since March 31, 2017.

GPG:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|--------------|----------------------------|--------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase (Decrease)</u> | |
| | | | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | | | | |
| - Availability Payment (AP) | 552 | 586 | (34) | (6%) |
| - Energy Payment (EP) | 279 | 493 | (214) | (43%) |
| Other income | 5 | 8 | (3) | (38%) |
| Total revenues | 836 | 1,087 | (251) | (23%) |
| Cost of sale | (463) | (734) | (271) | (37%) |
| Other expenses | (120) | (149) | (29) | (19%) |
| Total expenses | (583) | (883) | (300) | (34%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 253 | 204 | 49 | 24% |

- **GPG** : The operating result was increased by 49 million Baht mainly due to an increase in electricity profit. This was resulted from lower maintenance costs than Q1/2017, which had major maintenance. Additionally, interest expenses and corporate income tax expenses were decreased. Meanwhile, Availability Payment (AP) was decreased according to the PPA.

BLCP:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|----------------|----------------------------|-------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase (Decrease)</u> | |
| | | | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | | | | |
| - Availability Payment (AP) | 980 | 1,057 | (77) | (7%) |
| - Energy Payment (EP) | 1,391 | 1,400 | (9) | (1%) |
| Other income | 20 | 19 | 1 | 5% |
| Total revenues | 2,391 | 2,476 | (85) | (3%) |
| Cost of sale | (1,578) | (1,633) | (55) | (3%) |
| Other expenses | (142) | (186) | (44) | (24%) |
| Total expenses | (1,720) | (1,819) | (99) | (5%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 671 | 657 | 14 | 2% |

- **BLCP** : The operating result was increased by 14 million Baht mainly due to an increase in electricity profit, caused by a shorter maintenance period than the same period of previous year. Additionally, administrative expenses and interest expenses were decreased. Whereas, Availability Payment (AP) was decreased according to the PPA.

KLU:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|-------------|---------------|-------------|
| | <u>2018</u> | <u>2017</u> | <u>Amount</u> | <u>%</u> |
| Electricity revenue | 468 | - | 468 | 100% |
| Other income | - | - | - | - |
| Total revenues | 468 | - | 468 | 100% |
| Cost of sale | (405) | - | 405 | 100% |
| Other expenses | (66) | (5) | 61 | 100% |
| Total expenses | (471) | (5) | 466 | 100% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | (3) | (5) | 2 | 40% |

- **KLU** : The operating result was increased by 2 million Baht due to revenue from electricity generation of KLU since its Commercial Operation Date on July 20, 2017. On the contrary, its maintenance costs was also incurred during this period.

Quezon (Include PEPOI and QMS):

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|----------------|---------------|--------------|
| | <u>2018</u> | <u>2017</u> | <u>Amount</u> | <u>%</u> |
| Electricity revenue | 2,068 | 2,088 | (20) | (1%) |
| Other income | - | - | - | - |
| Total revenues | 2,068 | 2,088 | (20) | (1%) |
| Cost of sale | (1,282) | (1,309) | (27) | (2%) |
| Other expenses | (676) | (338) | 338 | 100% |
| Total expenses | (1,958) | (1,647) | 311 | 19% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 110 | 441 | (331) | (75%) |

- **Quezon** : The operating result was decreased by 331 million Baht mainly due to costs of replacement and dismantling of transmission line and switchyard as part of the construction of SBPL.

BRWF:

Unit : Million Baht

| | <u>Quarter 1</u> | | <u>Change</u> | |
|---|------------------|--------------|----------------------------|---------------|
| | | | <u>Increase (Decrease)</u> | |
| | <u>2018</u> | <u>2017</u> | <u>Amount</u> | <u>%</u> |
| Electricity revenue | 203 | 225 | (22) | (10%) |
| Other income | 2 | - | 2 | 100% |
| Total revenues | 205 | 225 | (20) | (9%) |
| Cost of sale | (107) | (104) | 3 | 3% |
| Other expenses | (110) | (122) | (12) | (10%) |
| Total expenses | (217) | (226) | (9) | (4%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | (12) | (1) | (11) | (100%) |

- **BRWF** : The operating result was decreased by 11 million Baht due to lower wind speed, comparing to the same period of previous year, leading to lower electricity generation.

Other Subsidiaries in Power Generation business:

Unit : Million Baht

| | <i>Rayong Power Plant</i> | | Yanhee EGCO | | RG | | SPP 2 | | SPP 3 | | SPP 4 | | SPP 5 | |
|---|---------------------------|-------------|------------------|--------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|
| | <u>Quarter 1</u> | | <u>Quarter 1</u> | | <u>Quarter 1</u> | | <u>Quarter 1</u> | | <u>Quarter 1</u> | | <u>Quarter 1</u> | | <u>Quarter 1</u> | |
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| | Electricity revenue | - | - | 310 | 327 | 42 | 38 | 43 | 44 | 45 | 47 | 31 | 35 | 45 |
| Other income | - | 3 | 2 | 3 | - | - | - | - | - | 1 | - | - | - | - |
| Total revenues | - | 3 | 312 | 330 | 42 | 38 | 43 | 44 | 45 | 48 | 31 | 35 | 45 | 48 |
| Cost of sale | - | - | (80) | (80) | (38) | (37) | (13) | (13) | (12) | (12) | (10) | (10) | (12) | (12) |
| Other expenses | - | (31) | (87) | (94) | (3) | (3) | (11) | (12) | (10) | (12) | (8) | (9) | (10) | (12) |
| Total expenses | - | (31) | (167) | (174) | (41) | (40) | (24) | (25) | (22) | (24) | (18) | (19) | (22) | (24) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | - | (28) | 145 | 156 | 1 | (2) | 19 | 19 | 23 | 24 | 13 | 16 | 23 | 24 |

Other Subsidiaries in Power Generation business (continue) :

Unit : Million Baht

| | TWF | | EGCO COGEN | | CWF | | Total | | Change Increase (Decrease) | |
|---|---------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | Amount | % |
| | Electricity revenue | 17 | 21 | 383 | 390 | 121 | 150 | 1,037 | 1,100 | (63) |
| Other income | - | - | 1 | 1 | 1 | - | 4 | 8 | (4) | (50%) |
| Total revenues | 17 | 21 | 384 | 391 | 122 | 150 | 1,041 | 1,108 | (67) | (6%) |
| Cost of sale | (7) | (7) | (369) | (340) | (81) | (80) | (622) | (591) | 31 | 5% |
| Other expenses | (4) | (7) | (17) | (18) | (54) | (55) | (204) | (253) | (49) | (19%) |
| Total expenses | (11) | (14) | (386) | (358) | (135) | (135) | (826) | (844) | (18) | (2%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 6 | 7 | (2) | 33 | (13) | 15 | 215 | 264 | (49) | (19%) |

Other Joint Ventures in Power Generation business

Unit : Million Baht

| | GPS (JV) | | GEC (JV) | | NED (JV) | | GIDEC* (JV) | | Masin-AES** (JV) | | Other*** (JV) | | Total | | Change Increase (Decrease) | |
|---|---------------------|-------------|--------------|--------------|-------------|-------------|----------------|-------------|---------------------|----------------|------------------|------------|--------------|----------------|----------------------------------|--------------|
| | Quarter 1 | | Quarter 1 | | Quarter 1 | | Quarter 1 | | Quarter 1 | | Quarter 1 | | Quarter 1 | | Quarter 1 | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | Amount | % |
| | Electricity revenue | 71 | 76 | 881 | 889 | 225 | 232 | 11 | 7 | - | 1,729 | - | - | 1,188 | 2,933 | (1,745) |
| Other income | - | - | 4 | 10 | 3 | 4 | - | - | - | - | - | - | 7 | 14 | (7) | (50%) |
| Total revenues | 71 | 76 | 885 | 899 | 228 | 236 | 11 | 7 | - | 1,729 | - | - | 1,195 | 2,947 | (1,752) | (59%) |
| Cost of sale | (23) | (25) | (766) | (757) | (58) | (62) | (12) | (14) | - | (971) | - | - | (859) | (1,829) | (970) | (53%) |
| Other expenses | (10) | (21) | (50) | (54) | (29) | (34) | (7) | (12) | - | (465) | (14) | (7) | (110) | (593) | (483) | (81%) |
| Total expenses | (33) | (46) | (816) | (811) | (87) | (96) | (19) | (26) | - | (1,436) | (14) | (7) | (969) | (2,422) | (1,453) | (60%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 38 | 30 | 69 | 88 | 141 | 140 | (8) | (19) | - | 293 | (14) | (7) | 226 | 525 | (299) | (57%) |

* Divested ordinary shares in GIDEC on March 15, 2018

** Divested ordinary shares in MPPCL on March 20, 2018

*** SBPL and NT1PC are under construction.

3.2 The Analysis of the Operating Results in Other businesses

Profit (loss) before the effects of foreign exchange, deferred income tax, impairment and lease income for Q1/2018 in other businesses increasing by 46 million Baht comparing to Q1/2017 as the following details:

Subsidiaries and Joint Ventures in Other business:

Unit : Million Baht

| | ESCO (Sub) | | MME (JV) | | Total | | Change Increase (Decrease) | |
|---|---------------|--------------|--------------|--------------|--------------|--------------|-------------------------------|------------|
| | Quarter 1 | | Quarter 1 | | Quarter 1 | | Quarter 1 | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | Amount | % |
| Revenue | - | - | 187 | 122 | 187 | 122 | 65 | 53% |
| Service income | 444 | 320 | - | - | 444 | 320 | 124 | 39% |
| Other income | 2 | 2 | 1 | 1 | 3 | 3 | - | - |
| Total revenues | 446 | 322 | 188 | 123 | 634 | 445 | 189 | 42% |
| Cost of sale | (340) | (266) | (140) | (88) | (480) | (354) | 126 | 36% |
| Other expenses | (38) | (26) | (21) | (16) | (59) | (42) | 17 | 40% |
| Total expenses | (378) | (292) | (161) | (104) | (539) | (396) | 143 | 36% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment and lease income | 68 | 30 | 27 | 19 | 95 | 49 | 46 | 94% |

4. Cash Flow Analysis

As of March 31, 2018 cash and cash equivalents were 38,451 million Baht, increasing by 31,664 million Baht comparing to December 31, 2017. The details are as follows:

Unit: Million Baht

| | |
|--|---------------|
| Net cash <u>received from</u> operating activities | 2,207 |
| Net cash <u>received from</u> investing activities | 33,260 |
| Net cash <u>payment for</u> financing activities | (3,688) |
| Loss from the effect of foreign exchange rate | (115) |
| Net increase in cash | <u>31,664</u> |

- **Net cash received from operating activities** was 2,207 million Baht from operating of EGCO and its subsidiaries.

- **Net cash received from investing activities** was 33,260 million Baht. The amount of 31,613 million Baht was received from disposal of shares in MPPCL, East Water and GIDEC. The dividend received from joint ventures and other company were 1,721 million Baht. Cash receipts from short-term and long-term investments were 438 million Baht. Cash receipts from Short-term and long-term payments used as collateral and interest income were 224 million Baht and 161 million Baht, respectively. Meanwhile, the construction costs and development costs of BPU and KLU were 709 million Baht. Equity injection in XPCL and investment in NT1PC were 122 million Baht and 66 million Baht, respectively.

- **Net cash payment for financing activities** was 3,688 million Baht, resulted from the principle repayment of short-term and long-term loans totalling 11,214 million Baht, interest payment of loans and financing fees totalling 1,064 million Baht and the dividend payment to shareholders amounting to 8 million Baht. Meanwhile, the drawn down loans was 8,598 million Baht.

5. Financial Ratios

Profitability Ratios

| | <u>Quarter 1</u> | | <u>Change</u> |
|--------------------------------------|------------------|-------------|----------------------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase/(Decrease)</u> |
| Gross Profit Ratio (%) | 33.88 | 34.93 | (1.05) |
| Operating Profit Ratio before FX (%) | 26.93* | 27.03 | (0.10) |
| Profit Ratio before FX (%) | 13.24* | 12.74 | 0.50 |
| Profit before FX per share (Baht) | 3.88* | 3.58 | 0.30 |

*Excluding gain on disposal of investment totalling 14,162 million Baht

Leverage Ratio and Liquidity Ratio

| | <u>Quarter 1</u> | <u>Quarter 4</u> | <u>Change</u> |
|---------------------------------------|------------------|------------------|----------------------------|
| | <u>2018</u> | <u>2017</u> | <u>Increase/(Decrease)</u> |
| <i>Debt to equity ratio (Time)</i> | | | |
| - Consolidated | 1.06 | 1.31 | (0.25) |
| - Company | 0.71 | 0.80 | (0.09) |
| <i>Book value per share (Baht)</i> | | | |
| - Consolidated | 190.17 | 163.81 | 26.36 |
| - Company | 128.42 | 120.83 | 7.59 |
| <i>Current ratio (Time)</i> | | | |
| - Consolidated | 3.42 | 2.26 | 1.16 |
| - Company | 7.64 | 1.71 | 5.93 |
| <i>Interest Coverage Ratio (Time)</i> | | | |
| - Company | 15.69 | 5.56 | 10.13 |