



Management Discussion and Analysis

For the Financial Result of Quarter 2 Year 2019

Ended June 30, 2019

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 Division of the Electricity Generating Public Company Limited at Tel: 662-998-5150-3 or Email: ir@egco.com

Management Discussion and Analysis

1. Significant events in the second Quarter of 2019

1.1 The progress in construction projects

- **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 Du Laos (EDL) with the contracted capacity of 60 MW for 29 years. The construction of the project has progressed 99.40% (The construction plan was 99.12%). 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 Republic 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 99.79% (The construction plan was 99.72%). 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, Lao 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 53.55% (The construction plan was 55.21%). The commercial operation date is scheduled in the second quarter of 2022.

1.2 Other significant event

- On June 21, 2019, The Board of Directors of Electricity Generating Public Company Limited (EGCO) approved the investment in Gangdong Fuel Cell Project (Gangdong), located in Gangdong-gu, Seoul, South Korea with the capacity of 19.80 MW. Gangdong will sell electricity to Korea Electric Power Corporation (KEPCO), the sole off-taker of wholesale power generation in South Korea, through the Korea Power Exchange, sell thermal energy, and receive renewable credits in the form of renewable energy

certificates (REC) with respect to its electricity generation output. Gangdong will construct and operate by Paju Energy Services Co., Ltd. (Paju ES), a company in which EGCO Group owns a 49% equity interest. Paju ES owns and operates Paju Power Plant which is a combined cycle gas-fired power plant. The investment objectives for the Gangdong are to fulfil a portion of the Renewable Portfolio Standard (RPS) obligations of Paju ES on a long-term basis and to generate incremental economic earnings to Paju ES. A fuel cell is an electrochemical device that combines hydrogen from natural gas and oxygen to produce electricity and heat. Fuel cells operate without combustion and it is considered as an option for a reliable source of power. Gangdong construction works are scheduled to commence in August 2019. The commercial operation date is scheduled in the fourth quarter of 2020.

2. Business overview

EGCO Group have invested in the Power Producer (PP), 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. (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)	PP
Boco Rock Wind Farm Pty Ltd. (BRWF)	PP
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)	PP
Star Energy Geothermal (Salak – Darajat) B.V. (SEGSD)	PP
(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)	PP
San Buenaventura Power Ltd. Co. (SBPL)	PP
Nam Theun 1 Power Co., Ltd. (NT1PC)	PP
Paju Energy Services Co.,Ltd. (Paju ES)	PP
2. Others businesses	
● Overseas Other Business	
PT Manambang Muara Enim Co., Ltd. (MME)	Coal Mining
E&E Engineering and Service Company Limited (E&E)	O&M

(4) Other long-term investment

Xayaburi Power Company Limited (XPCL)

As of June 30, 2019, EGCO Group's portfolio consists of 27 operating power plants, with a total contracted capacity of 5,147 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 Q2/2019, Ended of June 30, 2019

Unit : Million Baht

	<i>Power Generation</i>		<i>Others</i>		<i>Total</i>		<i>Change Increase (Decrease)</i>	
	<i>Quarter 2</i>		<i>Quarter 2</i>		<i>Quarter 2</i>		<i>Quarter 2</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	<i>Amount</i>	<i>%</i>
Total Revenues	11,017	8,929	158	142	11,175	9,071	2,104	23%
Total Expenses	(10,050)	(8,254)	(174)	(148)	(10,224)	(8,402)	1,822	22%
Share of Profit (Loss)	1,652	1,800	(9)	19	1,643	1,819	(176)	(10%)
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	2,619	2,475	(25)	13	2,594	2,488	106	4%
Deferred income (expense) tax	163	(197)	6	-	169	(197)	366	186%
Profit (Loss) before the effects of foreign exchange and lease income	2,782	2,278	(19)	13	2,763	2,291	472	21%
Profit (Loss) from foreign exchange	1,194	(5,316)	1	-	1,195	5,316	6,511	122%
Net profit (Loss) before the impact of lease income	3,976	(3,038)	(18)	13	3,958	(3,025)	6,983	231%
Impact of lease income	(10)	661	-	-	(10)	661	(671)	(102%)
Net Profit (Loss)	3,966	(2,377)	(18)	13	3,948	(2,364)	6,312	267%

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

The operating profit of EGCO Group before the effects of foreign exchange, deferred income tax and lease income for Q2/2019 were Baht 2,594 million, increasing by Baht 106 million comparing to Q2/2018, which came from an increase in power generation business of Baht 144 million and a decrease in other business of Baht 38 million. See more details in 3.1 and 3.2 as follows;

3.1 The Analysis of the Operating Results in Power Generation business

Profit (loss) before the effects of foreign exchange, deferred income tax and lease income for Q2/2019 of power generation business increased by Baht 144 million, comparing to Q2/2018, mainly due to the recognition of the operating results of Paju ES and an increase in the operating results of KEGCO, EGCO, Quezon, SEG, CWF, KLU and GPG. On the other hand, those of BLCP, EGCO PLUS and NTPC decreased as follows:

Paju ES:

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	3,705	-	3,705	100%
<i>Other income</i>	91	-	91	100%
Total revenues	3,796	-	3,796	100%
<i>Cost of sale</i>	(3,492)	-	3,492	100%
<i>Other expenses</i>	(152)	-	152	100%
Total expenses	(3,644)	-	3,644	100%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	152	-	152	100%

- **Paju ES** : The operating result was Baht 152 million. This was resulted from the acquisition 49% of Paju ES on January 15, 2019.

KEGCO:

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	1,127	875	252	29%
- Energy Payment (EP)	3,129	2,076	1,053	51%
Other income	38	8	30	375%
Total revenues	4,294	2,959	1,335	45%
Cost of sale	(3,534)	(2,517)	1,017	40%
Other expenses	(292)	(283)	9	3%
Total expenses	(3,826)	(2,800)	1,026	37%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	468	159	309	194%

- **KEGCO** : The operating result was increased by Baht 309 million mainly due to an increase in Availability Payment (AP) and electricity profit, caused by a scheduled maintenance in Q2/2018. Additionally, other income was increased according to compensation for non-compliance of the EPC Contractor's contract.

EGCO:

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	-	-	-	-
Other income	329	142	187	132%
Total revenues	329	142	187	132%
Cost of sale	-	-	-	-
Other expenses	(963)	(914)	49	5%
Total expenses	(963)	(914)	49	5%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	(634)	(772)	138	18%

- **EGCO** : The operating result was increased by Baht 138 million mainly due to Interest income from loans to EGCO Plus. Meanwhile, retirement benefit expenses was increased due to the effects of the amendment bill to the Labour Protection Law.

Quezon (Include PEPOI and QMS):

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	3,009	2,651	358	14%
Other income	4	10	(6)	(60%)
Total revenues	3,013	2,661	352	13%
Cost of sale	(1,676)	(1,414)	262	19%
Other expenses	(377)	(391)	(14)	(4%)
Total expenses	(2,053)	(1,805)	248	14%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	960	856	104	12%

- **Quezon** : The operating result was increased by Baht 104 million mainly due to an increase in electricity profit, caused by a shorter scheduled maintenance, comparing to the same period of previous year, leading to higher electricity generation.

SEG:

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	475	512	(37)	(7%)
Other income	-	44	(44)	(100%)
Total revenues	475	556	(81)	(15%)
Cost of sale	(108)	(99)	9	9%
Other expenses	(236)	(428)	(192)	(45%)
Total expenses	(344)	(527)	(183)	(35%)
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	131	29	102	352%

- **SEG** : The operating result was increased by Baht 102 million mainly due to an decrease in finance costs from refinancing in Q2/2018. Meanwhile, other income was decreased according to recognition of gain on settle Interest Rate SWAP of bank loan in Q2/2018.

CWF:

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	205	167	38	23%
Other income	2	2	-	-
Total revenues	207	169	38	22%
Cost of sale	(81)	(82)	(1)	(1%)
Other expenses	(51)	(54)	(3)	(6%)
Total expenses	(132)	(136)	(4)	(3%)
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	75	33	42	127%

- **CWF** : The operating result was increased by Baht 42 million due to higher wind speed, comparing to the same period of previous year, leading to higher electricity generation.

KLU:

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	635	530	105	20%
Other income	2	1	1	100%
Total revenues	637	531	106	20%
Cost of sale	(536)	(466)	70	15%
Other expenses	(62)	(67)	(5)	(7%)
Total expenses	(598)	(533)	65	12%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	39	(2)	41	2,050%

- **KLU** : The operating result was increased by Baht 41 million mainly due to an increase in electricity profit, caused by a shorter maintenance, comparing to the same period of previous year, leading to higher electricity generation.

GPG:

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	554	571	(17)	(3%)
- Energy Payment (EP)	438	266	172	65%
Other income	5	6	(1)	(17%)
Total revenues	997	843	154	18%
Cost of sale	(584)	(473)	111	23%
Other expenses	(109)	(107)	2	2%
Total expenses	(693)	(580)	113	19%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	304	263	41	16%

- **GPG** : The operating result was increased by Baht 41 million mainly due to an increase in electricity profit resulting from the higher dispatch from EGAT, comparing to the same period of previous year. Meanwhile, Availability Payment (AP) was decreased according to the PPA.

BLCP:

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	769	1,130	(361)	(32%)
- Energy Payment (EP)	1,444	1,431	13	1%
Other income	41	26	15	58%
Total revenues	2,254	2,587	(333)	(13%)
Cost of sale	(1,721)	(1,652)	69	4%
Other expenses	(202)	(176)	26	15%
Total expenses	(1,923)	(1,828)	95	5%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	331	759	(428)	(56%)

- **BLCP** : The operating result was decreased by Baht 428 million mainly due to a decrease in Availability Payment (AP) according to the PPA.

EGCO Plus (Include Gen Plus B.V.):

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	-	-	-	-
Other income	109	78	31	40%
Total revenues	109	78	31	40%
Cost of sale	-	(2)	(2)	(100%)
Other expenses	(493)	(66)	427	647%
Total expenses	(493)	(68)	425	625%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	(384)	10	(394)	(3,940%)

- **EGCO Plus** : The operating result was decreased by 394 million Baht mainly due to interest expenses on loans from EGCO and interest expenses on loans for investment in Paju ES. Additionally, withholding tax expenses from dividends of Paju ES. Meanwhile, interest income was increased.

NTPC:

Unit : Million Baht

	<u>Quarter 2</u>		<u>Change Increase (Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	734	754	(20)	(3%)
Other income	4	2	2	100%
Total revenues	738	756	(18)	(2%)
Cost of sale	(222)	(215)	7	3%
Other expenses	(134)	(138)	(4)	(3%)
Total expenses	(356)	(353)	3	1%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	382	403	(21)	(5%)

- **NTPC** : The operating result was decreased by Baht 21 million mainly due to a decrease in electricity revenue, caused by the lower amount of water, comparing to the same period of previous year.

Other Subsidiaries in Power Generation business:

Unit : Million Baht

	Yanhee EGCO		RG		SPP 2		SPP 3		SPP 4		SPP 5	
	<u>Quarter 2</u>		<u>Quarter 2</u>		<u>Quarter 2</u>		<u>Quarter 2</u>		<u>Quarter 2</u>		<u>Quarter 2</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Electricity revenue	343	319	56	43	48	46	47	45	34	32	48	46
Other income	3	3	-	-	-	-	-	-	-	-	-	-
Total revenues	346	322	56	43	48	46	47	45	34	32	48	46
Cost of sale	(77)	(85)	(43)	(37)	(13)	(13)	(13)	(13)	(10)	(10)	(12)	(12)
Other expenses	(74)	(83)	(4)	(4)	(9)	(10)	(8)	(9)	(6)	(7)	(9)	(10)
Total expenses	(151)	(168)	(47)	(41)	(22)	(23)	(21)	(22)	(16)	(17)	(21)	(22)
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	195	154	9	2	26	23	26	23	18	15	27	24

Other Subsidiaries in Power Generation business (continue) :

Unit : Million Baht

	TWF		EGCO COGEN		BRWF		BPU		Total		Change Increase (Decrease)	
	<u>Quarter 2</u>		<u>Quarter 2</u>		<u>Quarter 2</u>		<u>Quarter 2</u>		<u>Quarter 2</u>		<u>Quarter 2</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
Electricity revenue	14	12	387	437	225	238	1,216	1,162	2,418	2,380	38	2%
Other income	-	-	1	1	4	4	2	1	10	9	1	11%
Total revenues	14	12	388	438	229	242	1,218	1,163	2,428	2,389	39	2%
Cost of sale	(7)	(8)	(352)	(379)	(108)	(110)	(1,039)	(965)	(1,674)	(1,632)	42	3%
Other expenses	(4)	(5)	(14)	(19)	(79)	(107)	(104)	(112)	(311)	(366)	(55)	(15%)
Total expenses	(11)	(13)	(366)	(398)	(187)	(217)	(1,143)	(1,077)	(1,985)	(1,998)	(13)	(1%)
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	3	(1)	22	40	42	25	75	86	443	391	52	13%

Other Joint Ventures and Associated in Power Generation business

Unit : Million Baht

	GPS (JV)		GEC (JV)		NED (JV)	
	Quarter 2		Quarter 2		Quarter 2	
	2019	2018	2019	2018	2019	2018
	Electricity revenue	70	69	1,011	985	249
Other income	-	-	13	8	3	4
Total revenues	70	69	1,024	993	252	243
Cost of sale	(23)	(23)	(891)	(846)	(59)	(59)
Other expenses	(8)	(10)	(55)	(60)	(25)	(29)
Total expenses	(31)	(33)	(946)	(906)	(84)	(88)
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	39	36	78	87	168	155

Other Joint Ventures and Associated in Power Generation business (continue):

Unit : Million Baht

	SEGSD (ASSO)		Other* (JV)		Total		Change Increase (Decrease)	
	Quarter 2		Quarter 2		Quarter 2		Quarter 2	
	2019	2018	2019	2018	2019	2018	Amount	%
	Electricity revenue	298	325	122	-	1,750	1,618	132
Other income	-	-	-	-	16	12	4	33%
Total revenues	298	325	122	-	1,766	1,630	136	8%
Cost of sale	(68)	(66)	(121)	-	(1,162)	(994)	168	17%
Other expenses	(152)	(168)	(12)	(23)	(252)	(290)	(38)	(13%)
Total expenses	(220)	(234)	(133)	(23)	(1,414)	(1,284)	130	10%
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	78	91	(11)	(23)	352	346	6	2%

* 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 and lease income for Q2/2019 in other businesses decreasing by Baht 38 million comparing to Q2/2018 as follows:

Subsidiaries and Joint Ventures in Other business:

Unit : Million Baht

	<i>ESCO (Sub)</i>		<i>MME (JV)</i>		<i>Total</i>		<i>Change Increase (Decrease)</i>	
	<i>Quarter 2</i>		<i>Quarter 2</i>		<i>Quarter 2</i>		<i>Quarter 2</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	<i>Amount</i>	<i>%</i>
	<i>Revenue</i>	-	-	84	153	84	153	(69)
<i>Service income</i>	155	140	-	-	155	140	15	11%
<i>Other income</i>	3	2	1	1	4	3	1	33%
<i>Total revenues</i>	158	142	85	154	243	296	(53)	(18%)
<i>Cost of sale</i>	(153)	(130)	(81)	(116)	(234)	(246)	(12)	(5%)
<i>Other expenses</i>	(21)	(18)	(13)	(19)	(34)	(37)	(3)	(8%)
<i>Total expenses</i>	(174)	(148)	(94)	(135)	(268)	(283)	(15)	(5%)
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	(16)	(6)	(9)	19	(25)	13	(38)	(292%)

Summary of operating results for 6M/2019, Ended of June 30, 2019

Unit : Million Baht

	<i>Power Generation</i>		<i>Others</i>		<i>Total</i>		<i>Change Increase (Decrease)</i>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>%</u>
Total Revenues	21,276	17,698	333	589	21,609	18,287	3,322	18%
Total Expenses	(19,555)	(16,918)	(347)	(526)	(19,902)	(17,444)	2,458	14%
Share of Profit (Loss)	3,807	3,576	(5)	45	3,802	3,621	181	5%
Gain on disposal of investment	-	14,162	-	-	-	14,162	(14,162)	(100%)
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	5,528	18,518	(19)	108	5,509	18,626	(13,117)	(70%)
Deferred income (expense) tax	209	(132)	6	-	215	(132)	347	263%
Profit (Loss) before the effects of foreign exchange and lease income	5,737	18,386	(13)	108	5,724	18,494	(12,770)	(69%)
Profit (Loss) from foreign exchange	1,907	(1,430)	-	-	1,907	(1,430)	3,337	233%
Net profit (Loss) before the impact of lease income	7,644	16,956	(13)	108	7,631	17,064	(9,433)	(55%)
Impact of lease income	66	743	-	-	66	743	(677)	(91%)
Net Profit (Loss)	7,710	17,699	(13)	108	7,697	17,807	(10,110)	(57%)

The operating profit of EGCO Group before the effects of foreign exchange, deferred income tax and lease income for 6M/2019 were Baht 5,509 million, decreasing by Baht 13,117 million comparing to 6M/2018, mainly due to recognition of the gain on disposal in MPPCL, East Water and GIDEC.

However, if excluding the gain on disposal of investment amounted Baht 14,162 million, the normal operating profit of EGCO Group before the effects of foreign exchange, deferred income tax and lease income were Baht 5,509 million, increasing by Baht 1,045 million comparing to the same period of previous year, mainly due to the acquisition 49% of Paju ES on January 15, 2019.

Summary of operating results for Q1 and Q2 of 2019, Ended of June 30, 2019

Unit : Million Baht

	Power Generation		Others		Total	
	2019		2019		2019	
	Quarter 1	Quarter 2	Quarter 1	Quarter 2	Quarter 1	Quarter 2
Total Revenues	10,259	11,017	175	158	10,434	11,175
Total Expenses	(9,505)	(10,050)	(173)	(174)	(9,678)	(10,224)
Share of Profit (Loss)	2,155	1,652	4	(9)	2,159	1,643
Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income	2,909	2,619	6	(25)	2,915	2,594
Deferred income (expense) tax	46	163	-	6	46	169
Profit (Loss) before the effects of foreign exchange and lease income	2,955	2,782	6	(19)	2,961	2,763
Profit (Loss) from foreign exchange	713	1,194	(1)	1	712	1,195
Net profit (Loss) before the impact of lease income	3,668	3,976	5	(18)	3,673	3,958
Impact of lease income	76	(10)	-	-	76	(10)
Net Profit (Loss)	3,744	3,966	5	(18)	3,749	3,948

The operating profit of EGCO Group before the effects of foreign exchange, deferred income tax and lease income for Q2/2019 were Baht 2,594 million, decreasing by Baht 321 million comparing to Q1/2019, mainly due to a decrease in the recognition of the operating results of Paju ES, caused by the seasonal electricity usage.

4. Cash Flow Analysis

As of June 30, 2019 cash and cash equivalents were Baht 22,978 million, decreasing by Baht 11,898 million comparing to December 31, 2018. The details are as follows:

	Unit: Million Baht
Net cash <u>received from</u> operating activities	5,553
Net cash <u>payment for</u> investing activities	(17,031)
Net cash <u>received from</u> financing activities	908
Loss from the effect of foreign exchange rate	(1,328)
Net decrease in cash	<u>(11,898)</u>

Net cash received from operating activities was Baht 5,553 million from operating of EGCO and its subsidiaries.

Net cash payment for investing activities was Baht 17,031 million. Cash payments in investments in Paju ES and SBPL were Baht 23,022 million and Baht 1,932 million,

respectively. Cash payments for investments and investments used as short-term and long-term collateral were Baht 2,579 million. Equity injection in XPCL was Baht 175 million. Cash payments for purchases of equipment and asset under construction and cash payments for purchases of land around Rayong Power Plant were Baht 148 million and Baht 50 million, respectively. Meanwhile, the dividend received from joint ventures and other company were Baht 10,649 million. Cash receipts from interest income was Baht 234 million.

Net cash received from financing activities was Baht 908 million, resulted from the drawn down short-term and long-term loans was Baht 13,799 million. Meanwhile, the principle repayment of short-term and long-term loans totalling Baht 9,139 million, interest payment of loans and financing fees totalling Baht 1,881 million and the dividend payment to shareholders amounting to Baht 1,871 million.

5. Financial Ratios

Profitability Ratios

	<u>Quarter 2</u>		<u>Change</u>
	<u>2019</u>	<u>2018</u>	<u>Increase/(Decrease)</u>
Gross Profit Ratio (%)	27.24	35.88	(8.64)
Operating Profit Ratio before FX (%)	24.74	31.68	(6.94)
Profit Ratio before FX (%)	12.99	14.69	(1.70)
Profit before FX per share (Baht)	5.25	4.35	0.90

Leverage Ratio and Liquidity Ratio

	<u>Quarter 2</u>	<u>Quarter 1</u>	<u>Change</u>
	<u>2019</u>	<u>2019</u>	<u>Increase/(Decrease)</u>
Debt to equity ratio (Time)			
- Consolidated	1.03	1.11	(0.08)
- Company	0.65	0.75	(0.10)
Book value per share (Baht)			
- Consolidated	194.75	194.64	0.11
- Company	123.02	120.51	2.51
Current ratio (Time)			
- Consolidated	2.10	2.05	0.05
- Company	1.72	0.54	1.18
Interest Coverage Ratio (Time)			
- Company	7.51	6.90	0.61