

**AUDITOR'S REPORT**  
**AND FINANCIAL STATEMENTS**  
**EGAT INTERNATIONAL COMPANY LIMITED**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

NO. 0030/ 1158

OFFICE OF THE AUDITOR GENERAL  
OF THAILAND

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This letter is given to confirm that the English version of the auditor's report together with the financial statements in which the equity method is applied for the year ended December 31, 2017 of EGAT International Company Limited and separate financial statements for the year ended December 31, 2017 of EGAT International Company Limited was translated by EGAT International Company Limited. The Office of the Auditor General of Thailand has reviewed the aforementioned English version of the auditor's report and the financial statements in which the equity method is applied and separate financial statements and found that it is in agreement, as to form and content, with the Thai version of the auditor's report and the financial statements in which the equity method is applied and separate financial statements for the same period.

Given on April 24, 2018



(Prawit Tantrajin)

Director of Financial Audit Office No. 8

For Auditor General



(TRANSLATION)

## AUDITOR'S REPORT

**To the Shareholders of EGAT International Company Limited**

### **Opinion**

The Office of the Auditor General of Thailand has audited the accompanying financial statements in which the equity method is applied and separate financial statements of EGAT International Company Limited (the Company), which comprise the statements of financial position in which the equity method is applied and separate statements of financial position, as at December 31, 2017, the statements of comprehensive income in which the equity method is applied and separate statements of comprehensive income, the statements of changes in shareholders' equity in which the equity method is applied and separate statements of changes in shareholders' equity and the statements of cash flows in which the equity method is applied and separate statements of cash flows for the year then ended, and notes to the financial statements in which the equity method is applied and separate financial statements, including a summary of significant accounting policies.

In the Office of the Auditor General of Thailand's opinion, the above mentioned financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position in which the equity method is applied and separate financial position of EGAT International Company Limited, as at December 31, 2017, and its financial performance in which the equity method is applied and separate financial performance and cash flows in which the equity method is applied and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for opinion**

The Office of the Auditor General of Thailand conducted the audit in accordance with Thai Standards on Auditing. The Office of the Auditor General of Thailand's responsibilities

*Office of the Auditor General of Thailand*



under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements in which the equity method is applied and separate financial statements section of the Office of the Auditor General of Thailand's report. The Office of the Auditor General of Thailand is independent of the Company in accordance with the ethical requirement set out in the State Audit Standards issued by the State Audit Commission and the Federation of Accounting Professions' Code of Ethics for Professional Accountants that are relevant to the Office of the Auditor General of Thailand's audit of the financial statements in which the equity method is applied and separate financial statements and has fulfilled other ethical responsibilities in accordance with these requirements. The Office of the Auditor General of Thailand believes that the audit evidence the Office of the Auditor General of Thailand has obtained is sufficient and appropriate to provide a basis for the Office of the Auditor General of Thailand's opinion.

#### **Other information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements in which the equity method is applied and separate financial statement and the auditor's report thereon. Management expects to provide the annual report to the Office of the Auditor General of Thailand after the date of this auditor's report.

The Office of the Auditor General of Thailand's opinion on the financial statements in which the equity method is applied and separate financial statement does not cover the other information and the Office of the Auditor General of Thailand will not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements in which the equity method is applied and separate financial statement, the Office of the Auditor General of Thailand's responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements in which the equity method is applied and separate financial statement or the Office of the Auditor General of Thailand's knowledge obtained in the audit, or otherwise appears to be materially misstated.





When the Office of the Auditor General of Thailand reads the annual report, if the Office of the Auditor General of Thailand concludes that there is a material misstatement therein, the Office of the Auditor General of Thailand is required to communicate the matter to those charged with governance.

**Responsibilities of management and those charged with Governance for the financial statements in which the equity method is applied and separate financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements in which the equity method is applied and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements in which the equity method is applied and separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements in which the equity method is applied and separate financial statements**

The Office of the Auditor General of Thailand's objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the Office of the Auditor General of Thailand's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the



economic decisions of users taken on the basis of these financial statements in which the equity method is applied and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, the Office of the Auditor General of Thailand exercises professional judgment and maintain professional skepticism throughout the audit. The Office of the Auditor General of Thailand also:

- Identifies and assesses the risks of material misstatement of the financial statements in which the equity method is applied and separate financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the Office of the Auditor General of Thailand's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If the Office of the Auditor General of Thailand concludes that a material uncertainty exists, the Office of the Auditor General of Thailand is required to draw attention in the auditor's report of the Office of the Auditor General of Thailand to the related disclosures in the financial statements in which the equity method is applied and separate financial statements or, if such disclosures are inadequate, to modify the Office of the Auditor General of Thailand's opinion. The Office of the Auditor General of Thailand's conclusions are based on the audit evidence obtained up to the date of the auditor's report of the Office of the Auditor General of Thailand.



However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the financial statements in which the equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Office of the Auditor General of Thailand communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the Office of the Auditor General of Thailand identifies during the Office of the Auditor General of Thailand's audit.

(Signed) *Prawit Tantrajin*  
(Prawit Tantrajin)  
Director of Financial Audit Office No. 8

(Signed) *Krannaporn Dumrongkitjakan*  
(Krannaporn Dumrongkitjakan)  
Auditor, Senior Professional Level



## EGAT INTERNATIONAL COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

Unit : Baht

	Notes	Financial statements			
		in which the equity method is applied		Separate Financial Statements	
		2017	2016 (Restated)	2017	2016 (Restated)
ASSETS					
Current assets					
Cash and cash equivalents	7.1	309,700,598.07	96,085,828.27	309,700,598.07	96,085,828.27
Temporary investments	7.2	4,446,541,097.18	2,577,042,976.36	4,446,541,097.18	2,577,042,976.36
Trade accounts receivable	7.4	2,314,979.00	3,127,900.75	2,314,979.00	3,127,900.75
Other accounts receivable	7.5	54,584,463.81	24,144,373.22	54,584,463.81	24,144,373.22
Accrued dividend income from associates		380,942,435.47	362,076,014.13	380,942,435.47	362,076,014.13
Bank deposits as collateral	7.6	440,867,679.87	1,128,213,828.19	440,867,679.87	1,128,213,828.19
Prepaid income taxes		535,610.51	1,299,607.74	535,610.51	1,299,607.74
Total current assets		5,635,486,863.91	4,191,990,528.66	5,635,486,863.91	4,191,990,528.66
Non-current assets					
Investment in associates	7.7.2	11,540,352,706.35	12,880,596,964.49	13,782,030,511.66	13,160,565,819.46
Equipment	7.8	1,110,776.78	1,014,400.72	1,110,776.78	1,014,400.72
Intangible assets	7.9	1,277,812.68	1,941,879.57	1,277,812.68	1,941,879.57
Project development costs - for collection	7.10	496,209,771.31	493,987,721.58	496,209,771.31	493,987,721.58
Deferred tax assets	7.11	808,967.19	-	808,967.19	-
Total non-current assets		12,039,760,034.31	13,377,540,966.36	14,281,437,839.62	13,657,509,821.33
TOTAL ASSETS		17,675,246,898.22	17,569,531,495.02	19,916,924,703.53	17,849,500,349.99

Notes to the financial statements are an integral part of these financial statements.

(Signed) Watchara Hemruchatanun

(Mr. Watchara Hemruchatanun)

President



**EGAT INTERNATIONAL COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

Unit : Baht

		Financial statements			
	Notes	in which the equity method is applied		Separate Financial Statements	
		2017	2016	2017	2016
			(Restated)		(Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable	7.12	1,432,362.16	68,212,979.46	1,432,362.16	68,212,979.46
Other accounts payable	7.13	34,797,930.99	42,205,210.03	34,797,930.99	42,205,210.03
Current portion of finance lease liabilities		159,750.00	159,750.00	159,750.00	159,750.00
Income tax payable		46,881,923.89	-	46,881,923.89	-
Other current liabilities	7.14	988,281.74	1,245,302.20	988,281.74	1,245,302.20
Total current liabilities		84,260,248.78	111,823,241.69	84,260,248.78	111,823,241.69
Non-current liabilities					
Finance lease liabilities		-	159,750.00	-	159,750.00
Non-current provisions for employee benefits	7.15	4,252,366.00	3,108,286.00	4,252,366.00	3,108,286.00
Accounts payable - related party	7.3.5	5,304,822,800.00	5,814,403,750.00	5,304,822,800.00	5,814,403,750.00
Total non-current liabilities		5,309,075,166.00	5,817,671,786.00	5,309,075,166.00	5,817,671,786.00
TOTAL LIABILITIES		5,393,335,414.78	5,929,495,027.69	5,393,335,414.78	5,929,495,027.69
Shareholders' equity					
Share capital					
Authorized share capital	7.16				
1,219,740,000 ordinary shares - Baht 10 per share		12,197,400,000.00	12,095,500,000.00	12,197,400,000.00	12,095,500,000.00
(2016 : 1,209,550,000 ordinary shares - Baht 10 per share)					
Paid-up share capital					
1,219,740,000 ordinary shares - Baht 10 per share		12,197,400,000.00	12,095,500,000.00	12,197,400,000.00	12,095,500,000.00
(2016 : 1,209,550,000 ordinary shares - Baht 10 per share)					
Retained earnings (Deficit)		295,049,921.16	(607,012,834.37)	2,326,189,288.75	(175,494,677.70)
Other components of shareholders' equity		(210,538,437.72)	151,549,301.70	-	-
TOTAL SHAREHOLDERS' EQUITY		12,281,911,483.44	11,640,036,467.33	14,523,589,288.75	11,920,005,322.30
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		17,675,246,898.22	17,569,531,495.02	19,916,924,703.53	17,849,500,349.99

Notes to the financial statements are an integral part of these financial statements.

(Signed) Watchara Hemruchatanun

(Mr. Watchara Hemruchatanun)

President

EGAT INTERNATIONAL COMPANY LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

		Financial statements			
	Notes	in which the equity method is applied		Separate financial statements	
		2017	2016	2017	2016
			(Restated)		(Restated)
REVENUES					
Dividend income from associates	7.7.2	-	-	2,934,620,347.15	403,133,661.39
Revenue from services	7.17	9,648,508.48	12,683,446.75	9,648,508.48	12,683,446.75
Other income					
Interest income		74,187,951.60	51,958,860.33	74,187,951.60	51,958,860.33
Gain on foreign exchange rate		243,908,681.59	-	243,908,681.59	-
Others	7.18	329,883.30	125,601.03	329,883.30	125,601.03
Total revenues		328,075,024.97	64,767,908.11	3,262,695,372.12	467,901,569.50
EXPENSES					
Cost of services	7.19	6,537,699.86	11,376,512.64	6,537,699.86	11,376,512.64
Administrative expenses	7.20	126,524,076.25	196,030,623.42	126,524,076.25	196,030,623.42
Other expenses					
Loss on foreign exchange rate		-	77,423,957.20	-	77,423,957.20
Total expenses	7.21	133,061,776.11	284,831,093.26	133,061,776.11	284,831,093.26
Profit (Loss) before share of profit from investment in associates		195,013,248.86	(220,063,185.15)	3,129,633,596.01	183,070,476.24
Share of profit from investment in associates	7.7.2	1,338,013,219.71	27,533,441.72	-	-
PROFIT (LOSS) BEFORE INCOME TAXES		1,533,026,468.57	(192,529,743.43)	3,129,633,596.01	183,070,476.24
INCOME TAX EXPENSES	7.22	627,415,595.96	16,657,665.77	627,415,595.96	16,657,665.77
PROFIT (LOSS) FOR THE YEAR		905,610,872.61	(209,187,409.20)	2,502,218,000.05	166,412,810.47
OTHER COMPREHENSIVE INCOME (LOSS)					
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS					
IN SUBSEQUENT PERIODS					
Currency translation differences		(366,098,360.60)	(52,055,037.89)	-	-
Share of other comprehensive income of associates		4,010,621.18	-	-	-
		(362,087,739.42)	(52,055,037.89)	-	-
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS					
IN SUBSEQUENT PERIODS					
Loss on remeasurements of defined benefit plans		(534,033.60)	-	(534,033.60)	-
Share of other comprehensive income (loss) of associates		(3,014,083.48)	2,682,875.25	-	-
		(3,548,117.08)	2,682,875.25	(534,033.60)	-
Other comprehensive loss for the year, net of taxes		(365,635,856.50)	(49,372,162.64)	(534,033.60)	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		539,975,016.11	(258,559,571.84)	2,501,683,966.45	166,412,810.47
BASIC EARNINGS (LOSS) PER SHARE	7.23	0.74	(0.30)	2.06	0.24

Notes to the financial statements are an integral part of these financial statements.

(Signed) Watchara Hemruchatanun

(Mr. Watchara Hemruchatanun)

President

(TRANSLATION)

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EGAT INTERNATIONAL COMPANY LIMITED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2017  
FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED

							Unit : Baht
Notes	Paid-up share capital	Retained earnings (Deficit)	Other components of shareholders' equity			Total shareholders' equity	
			Other comprehensive income (loss)		Total other shareholders' equity		
			Currency translation differences	Share of other comprehensive income (loss) of associates			
	6,108,000,000.00	(400,508,300.42)	-	203,604,339.59	203,604,339.59	5,911,096,039.17	
6	-	-	203,604,339.59	(203,604,339.59)	-	-	
	6,108,000,000.00	(400,508,300.42)	203,604,339.59	-	203,604,339.59	5,911,096,039.17	
	5,987,500,000.00	-	-	-	-	5,987,500,000.00	
	-	(209,187,409.20)	-	-	-	(209,187,409.20)	
	-	2,682,875.25	(52,055,037.89)	-	(52,055,037.89)	(49,372,162.64)	
	-	(206,504,533.95)	(52,055,037.89)	-	(52,055,037.89)	(258,559,571.84)	
	12,095,500,000.00	(607,012,834.37)	151,549,301.70	-	151,549,301.70	11,640,036,467.33	
	12,095,500,000.00	(547,648,570.86)	-	154,232,176.95	154,232,176.95	11,702,083,606.09	
6	-	(62,047,138.76)	-	-	-	(62,047,138.76)	
6	-	2,682,875.25	151,549,301.70	(154,232,176.95)	(2,682,875.25)	-	
	12,095,500,000.00	(607,012,834.37)	151,549,301.70	-	151,549,301.70	11,640,036,467.33	
	101,900,000.00	-	-	-	-	101,900,000.00	
7.16	-	905,610,872.61	-	-	-	905,610,872.61	
	-	(3,548,117.08)	(366,098,360.60)	4,010,621.18	(362,087,739.42)	(365,635,856.50)	
	-	902,062,755.53	(366,098,360.60)	4,010,621.18	(362,087,739.42)	539,975,016.11	
	12,197,400,000.00	295,049,921.16	(214,549,058.90)	4,010,621.18	(210,538,437.72)	12,281,911,483.44	

Notes to the financial statements are an integral part of these financial statements.

(Signed) Watchara Hemruchatanun

(Mr. Watchara Hemruchatanun)

President

**EGAT INTERNATIONAL COMPANY LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**SEPARATE FINANCIAL STATEMENTS**

Unit : Baht

	Notes	Paid-up share capital	Retained earnings (Deficit)	Total shareholders' equity
<b>Balance as at January 1, 2016</b>		<b>6,108,000,000.00</b>	<b>(341,907,488.17)</b>	<b>5,766,092,511.83</b>
Changes in shareholders' equity for the year				
Additional paid-up share capital		5,987,500,000.00	-	5,987,500,000.00
Total comprehensive income for the year		-	166,412,810.47	166,412,810.47
<b>Balance as at December 31, 2016 (after adjustments)</b>		<b>12,095,500,000.00</b>	<b>(175,494,677.70)</b>	<b>11,920,005,322.30</b>
 <b>Balance as at January 1, 2017 (before adjustments)</b>		 <b>12,095,500,000.00</b>	 <b>(134,552,977.70)</b>	 <b>11,960,947,022.30</b>
Effect of adjustments on financial statements	6	-	(40,941,700.00)	(40,941,700.00)
<b>Balance as at January 1, 2017 (after adjustments)</b>		<b>12,095,500,000.00</b>	<b>(175,494,677.70)</b>	<b>11,920,005,322.30</b>
Changes in shareholders' equity for the year				
Additional paid-up share capital	7.16	101,900,000.00	-	101,900,000.00
Profit for the year		-	2,502,218,000.05	2,502,218,000.05
Other comprehensive loss		-	(534,033.60)	(534,033.60)
Total comprehensive income for the year		-	2,501,683,966.45	2,501,683,966.45
<b>Balance as at December 31, 2017</b>		<b>12,197,400,000.00</b>	<b>2,326,189,288.75</b>	<b>14,523,589,288.75</b>

Notes to the financial statements are an integral part of these financial statements.

(Signed) Watchara Hemruchatanun

(Mr. Watchara Hemruchatanun)

President



EGAT INTERNATIONAL COMPANY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	Notes	Financial statements		Separate financial statements	
		in which the equity method is applied			
		2017	2016 (Restated)	2017	2016 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit (loss) before income taxes		1,533,026,468.57	(192,529,743.43)	3,129,633,596.01	183,070,476.24
Adjustment to reconcile profit (loss) before income taxes to net cash provided by (used in) from operating activities					
Depreciation	7.8	400,240.80	592,133.94	400,240.80	592,133.94
Amortization	7.9	664,066.89	645,507.09	664,066.89	645,507.09
Employee expense realized from estimates	7.15	1,740,302.00	804,413.00	1,740,302.00	804,413.00
Unrealized (gain) loss from foreign exchange rate		(282,246,898.27)	117,028,984.66	(282,246,898.27)	117,028,984.66
Share of profit from investment in associates		(1,338,013,219.71)	(27,533,441.72)	-	-
Dividend income from investment in associates		-	-	(2,934,620,347.15)	(403,133,661.39)
Interest income		(74,187,951.60)	(51,958,860.33)	(74,187,951.60)	(51,958,860.33)
Gain on disposal of assets		(3,032.86)	-	(3,032.86)	-
Loss from operating activities before change in operating assets and liabilities		(158,620,024.18)	(152,951,006.79)	(158,620,024.18)	(152,951,006.79)
Change in operating assets (increase) decrease					
Trade accounts receivable		812,921.75	153,601.25	812,921.75	153,601.25
Other accounts receivable		142,888.95	(13,618,087.97)	142,888.95	(13,618,087.97)
Bank deposits as collateral		611,926,310.44	580,006,661.95	611,926,310.44	580,006,661.95
Change in operating liabilities increase (decrease)					
Trade accounts payable		(64,874,309.60)	22,963,957.05	(64,874,309.60)	22,963,957.05
Other accounts payable		(4,115,002.96)	17,656,578.55	(4,115,002.96)	17,656,578.55
Other current liabilities		(257,020.46)	124,207.69	(257,020.46)	124,207.69
Actual payment on employee benefits	7.15	(1,263,764.00)	-	(1,263,764.00)	-
		542,372,024.12	607,286,918.52	542,372,024.12	607,286,918.52
Cash received from operating		383,751,999.94	454,335,911.73	383,751,999.94	454,335,911.73
Cash received from interest		5,842,754.31	7,885,015.76	5,842,754.31	7,885,015.76
Cash recieved from income taxes		763,997.23	968,326.34	763,997.23	968,326.34
Cash payment on income taxes		(581,209,130.86)	21,081,232.74	(581,209,130.86)	21,081,232.74
<b>Net cash flows provided by (used in) operating activities</b>		<b>(190,850,379.38)</b>	<b>484,270,486.57</b>	<b>(190,850,379.38)</b>	<b>484,270,486.57</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash payment on investment in associates		(621,464,692.20)	(6,435,264,266.66)	(621,464,692.20)	(6,435,264,266.66)
Cash payment on temporary investments		(2,011,321,374.12)	(172,920,314.61)	(2,011,321,374.12)	(172,920,314.61)
Dividend received from associates		2,920,843,387.06	-	2,920,843,387.06	-
Cash received on disposal of assets		10,600.00	-	10,600.00	-
Cash payment on buy equipment		(504,184.00)	(155,245.00)	(504,184.00)	(155,245.00)
Cash payment on buy intangible assets		-	(339,237.08)	-	(339,237.08)
Cash payment on project development cost - for collection		(21,014,703.12)	(47,528,970.41)	(21,014,703.12)	(47,528,970.41)
Cash received from interest		37,092,371.54	45,676,186.83	37,092,371.54	45,676,186.83
<b>Net cash flows provided by (used in) investing activities</b>		<b>303,641,405.16</b>	<b>(6,610,531,846.93)</b>	<b>303,641,405.16</b>	<b>(6,610,531,846.93)</b>

Notes to the financial statements are an integral part of these financial statements.

(Signed) Watchara Hemruchatanun

(Mr. Watchara Hemruchatanun)

President

EGAT INTERNATIONAL COMPANY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

		Financial statements			
	Notes	in which the equity method is applied		Separate financial statements	
		2017	2016	2017	2016
			(Restated)		(Restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from additional paid-up share capital	7.16	101,900,000.00	5,987,500,000.00	101,900,000.00	5,987,500,000.00
Cash payment on finance lease liabilities		(159,750.00)	-	(159,750.00)	-
<b>Net cash flows provided by financing activities</b>		<b>101,740,250.00</b>	<b>5,987,500,000.00</b>	<b>101,740,250.00</b>	<b>5,987,500,000.00</b>
Effect from foreign exchange rate in cash and cash equivalents		(916,505.98)	(501,430.66)	(916,505.98)	(501,430.66)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>213,614,769.80</b>	<b>(139,262,791.02)</b>	<b>213,614,769.80</b>	<b>(139,262,791.02)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>96,085,828.27</b>	<b>235,348,619.29</b>	<b>96,085,828.27</b>	<b>235,348,619.29</b>
<b>Cash and cash equivalents at the end of the year</b>	7.1	<b>309,700,598.07</b>	<b>96,085,828.27</b>	<b>309,700,598.07</b>	<b>96,085,828.27</b>
Supplementary cash flow information					
Unpaid for outstanding payable on project development costs - for collection		2,409,419.90	7,607,883.98	2,409,419.90	7,607,883.98
Unpaid for outstanding payable on finance lease assets		-	319,500.00	-	319,500.00
Unpaid for outstanding payable on investment in associates		-	5,758,540,900.00	-	5,758,540,900.00

Notes to the financial statements are an integral part of these financial statements.

(Signed) Watchara Hemruchatanun

(Mr. Watchara Hemruchatanun)

President

**EGAT INTERNATIONAL COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**1. General information**

EGAT International Company Limited, “EGATi”, is a limited company, incorporated in Thailand on December 18, 2007. EGATi is an investment arm for Electricity Generating Authority of Thailand “EGAT” of which the main objectives are to secure domestic power system by importing electricity and to create value added by investing abroad in power and power related businesses for benefits of EGAT businesses and the country. EGATi is located at 53 Moo 2, Charan Sanitwong Road, Bang Kruai, Nonthaburi.

**2. Basis of financial statements preparation**

These financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRSs) and Thai accounting guidance promulgated by the Federation of Accounting Professions (“FAP”) which is in compliance with the notification of the Department of Business Development “The requirement for the brief items to be shown in the financial statements, B.E. 2554 (2011)”, dated September 28, B.E. 2554 (2011), under the third paragraph of section 11 of the Accounting Act, B.E. 2543 (2000). The notification has been effective for the accounting periods beginning on or after January 1, 2011.

The accounting principles applied might be different from the Generally Accepted Accounting Principles adopted in other countries. There is no objective to prepare these financial statements to present financial position and operation performance to be in line with the Generally Accepted Accounting Principles adopted in other countries. These financial statements have been prepared based on the assumption that users of the financial statements have an understanding of Thai Generally Accepted Accounting Principles and practices.

These financial statements have been prepared under the historical cost convention, except explained otherwise as disclosed in Note 4, Significant accounting policies.

This English translation of the financial statements has been translated from the statutory financial statements that were issued in Thai language. In the event of conflict or differences in the interpretation between two languages, the Thai financial statements shall prevail.

### **3. Use of accounting estimates**

The preparation of the financial statements in conformity with Thai Financial Reporting Standards requires management to make estimates and assumptions that affect the book value of assets and liabilities reported in the financial statements as well as the disclosure of contingent assets and liabilities as at financial date. The actual results might be different from the estimation although the estimations have been conducted on the basis of the best comprehension of the current situation by the management.

### **4. Significant accounting policies**

#### **4.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash, cash in current and saving accounts as well as fixed accounts with within 3 months term including promissory notes or bills of exchange with maturity of 3 months or less without commitment.

#### **4.2 Related parties**

The parties are considered as related parties when EGATi has ability to control, directly or indirectly, over the parties and vice versa. Related parties also include the parties under the common control as EGATi. This includes subsidiaries and fellow subsidiaries, associates, joint venture, high-level management, directors and employees of EGATi.

In considering each related party relationship, the consideration shall be made on the basis of substance of the relationship than the legal form.

#### **4.3 Trade accounts receivable and other accounts receivable**

Trade accounts receivable and other accounts receivable are stated at net realizable value. Allowance for doubtful accounts is considered from accounts receivable which are expected to be uncollectible. The estimate is made based on the outstanding debts at the end of period, payment history and existing financial status of accounts receivable as well as percentage of aging debts schedule at the end of period.

Incurred doubtful accounts are recognized as administrative expense in profit or loss.

#### **4.4 Investments in associates**

Investments in associates have been presented in the separate financial statements under the cost method and in the financial statements in which the equity method is applied under the equity method.



Share of gains or losses from associates are recorded in proportion to the company's equity interest in those gains and losses.

EGATi determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If this is the case, EGATi calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount to the share of profit (loss) from associates in profit or loss.

In the separate financial statements, investments in associates are accounted for at cost less provision for impairment. The cost is adjusted to reflect changes in contingent consideration expected to be paid amendments. The cost also includes direct attributable costs of investment.

#### **4.5 Equipment**

Equipment are stated at cost less accumulated depreciation. Depreciation is calculated by using the straight-line method in order to reduce the book value of each type of assets over the estimated useful lives of each class of asset as follows:

	Useful lives (years)
Audio visual equipment and Office supplies	5-10 years
Communication devices	5 years
Computer and equipment	3 years

When the carrying amount is estimated to be higher than the recoverable amount, the carrying amount shall be adjusted to the recoverable amount.

Gain and loss on disposal of Equipment shall be calculated by comparing between the carrying amounts and the selling price. Gain and loss on disposal shall be recognized in profit or loss.

#### **4.6 Intangible assets**

Computer software shall be amortized based on its useful lives which is normally not more than 5 years. The useful lives as well as the amortization basis shall be revised and reviewed every accounting period.

#### **4.7 Project development costs - for collection**

Development costs incurred on development project are capitalized to assets when an approval of project investment in principle is made by the Ministry of Energy.

However, if EGATi's Board of Directors has considered and approved to cease the project, all relevant costs which capitalized to assets will be recognized as expenses in the incurred period in profit or loss.

#### **4.8 Revenue Recognition**

Interest income is recognized based on a time proportion basis and the effective rate of return on assets.

Dividend income is recognized when EGATi's right to receive the dividend payment is established.

#### **4.9 Basic earnings (loss) per share**

Basic earnings (loss) per share are calculated by dividing net profit (loss) for the year by the weighted average number of ordinary shares for the period.

#### **4.10 Income taxes**

Income tax expenses for the year comprise current and deferred income tax. Current and deferred income tax is recognized in profit or loss except to items that recognized directly in equity or in other comprehensive income.

Current tax income is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

EGATi calculates deferred income tax from temporary differences between the carrying amounts and tax bases of assets and liabilities. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising from investments in associates, except where the timing of the reversal of the temporary difference is controlled by EGATi and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **4.11 Employee benefits**

The commitments relating to the post-employment benefits shall be recognized by using the projected unit credit method performed by the actuary.

EGATi employees would receive compensations after retirement according to the labor law in Thailand providing all requirements agreed in the employment contract are satisfied. Employee benefits obligation are classified as Defined benefit obligation for which the projected unit credit based on the Actuarial basis is applied as a calculation method. Under this method, the future benefits that the employee expects to earn in the future in return for their service provided would be estimated and discounted to attain the present value. The discount rate used normally base on the yield on the government bonds which have the maturity date approximately the same as the terms of the company's obligations. The expenditures relating to the employee benefits shall be recognized in profit or loss for allocating costs throughout the employment period.

EGATi will review the actuarial assumptions on the 3 years basis and will recognize actuarial gains/losses from post-employment benefits in other comprehensive income in the period as incurred.

#### **4.12 Foreign currency translation**

Assets and liabilities of integrated foreign operations are translated into Thai Baht using the closing rate at the statement of financial position date. Revenues and expenses are translated into Thai Baht using the average rate during the period. Differences arising from foreign currency translation are included in other comprehensive income and accumulated differences are presented in other components of shareholders' equity under equity.

Foreign currency transactions are translated into Thai Baht by using the exchange rates prevailing at the date of the transaction. The monetary assets and liabilities denominated in foreign currency are translated into Thai Baht by using the exchange rates prevailing at the date of financial statement. Gains and losses from foreign currency receiving or payment and from translation of monetary assets and liabilities are recognized in profit or loss.

**4.13 Assets and liabilities under finance lease agreements**

Assets and liabilities under finance lease agreements are stated at the lower of fair values at inception or present values of the minimum lease payment less accumulated depreciation. A portion of lease payments is recognized as financial expenses and the remainder is deducted from principle over the lease periods. Depreciations of those leased assets are calculated on the straight-line method over the estimated useful lives of each type of assets. In case the ownership of the assets is not transferred to the lessee at the end of the lease periods, depreciations are based on the shorter of the useful lives of the assets or the lease period.

**5. Revised Thai Accounting Standards (TASs), Thai Financial Reporting Standards (TFRSs), Thai Standing Interpretations and Thai Financial Reporting Interpretations** which are published in the Government Gazette are as follows:

**Effective for accounting periods beginning on or after January 1, 2018**

- Thai Accounting Standard No.1 (Revised 2017)	Presentation of Financial Statements
- Thai Accounting Standard No.2 (Revised 2017)	Inventories
- Thai Accounting Standard No.7 (Revised 2017)	Statement of Cash Flows
- Thai Accounting Standard No.8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
- Thai Accounting Standard No.10 (Revised 2017)	Events after the Reporting Period
- Thai Accounting Standard No.11 (Revised 2017)	Construction Contracts
- Thai Accounting Standard No.12 (Revised 2017)	Income Taxes
- Thai Accounting Standard No.16 (Revised 2017)	Property, Plant and Equipment
- Thai Accounting Standard No.17 (Revised 2017)	Leases
- Thai Accounting Standard No.18 (Revised 2017)	Revenue
- Thai Accounting Standard No.19 (Revised 2017)	Employee Benefits
- Thai Accounting Standard No.20 (Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
- Thai Accounting Standard No.21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rates
- Thai Accounting Standard No.23 (Revised 2017)	Borrowing Costs
- Thai Accounting Standard No.24 (Revised 2017)	Related Party Disclosures



- Thai Accounting Standard No.26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans
- Thai Accounting Standard No.27 (Revised 2017)	Separate Financial Statements
- Thai Accounting Standard No.28 (Revised 2017)	Investments in Associates and Joint Ventures
- Thai Accounting Standard No.29 (Revised 2017)	Financial Reporting in Hyperinflationary Economies
- Thai Accounting Standard No.33 (Revised 2017)	Earnings per Share
- Thai Accounting Standard No.34 (Revised 2017)	Interim Financial Reporting
- Thai Accounting Standard No.36 (Revised 2017)	Impairment of Assets
- Thai Accounting Standard No.37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
- Thai Accounting Standard No.38 (Revised 2017)	Intangible Assets
- Thai Accounting Standard No.40 (Revised 2017)	Investment Property
- Thai Accounting Standard No.41 (Revised 2017)	Agriculture
- Thai Financial Reporting Standard No.2 (Revised 2017)	Share-Based Payments
- Thai Financial Reporting Standard No.3 (Revised 2017)	Business Combinations
- Thai Financial Reporting Standard No.4 (Revised 2017)	Insurance Contracts
- Thai Financial Reporting Standard No.5 (Revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
- Thai Financial Reporting Standard No.6 (Revised 2017)	Exploration for and Evaluation of Mineral Resources
- Thai Financial Reporting Standard No.8 (Revised 2017)	Operating Segments
- Thai Financial Reporting Standard No.10 (Revised 2017)	Consolidated Financial Statements
- Thai Financial Reporting Standard No.11 (Revised 2017)	Joint Arrangements

- Thai Financial Reporting Standard No.12 (Revised 2017)	Disclosure of Interests in Other Entities
- Thai Financial Reporting Standard No.13 (Revised 2017)	Fair Value Measurement
- Thai Standing Interpretation No.10 (Revised 2017)	Government Assistance - No Specific Relation to Operating Activities
- Thai Standing Interpretation No.15 (Revised 2017)	Operating Leases - Incentives
- Thai Standing Interpretation No.25 (Revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- Thai Standing Interpretation No.27 (Revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- Thai Standing Interpretation No.29 (Revised 2017)	Service Concession Arrangements: Disclosures
- Thai Standing Interpretation No.31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services
- Thai Standing Interpretation No.32 (Revised 2017)	Intangible Assets - Web Site Costs
- Thai Financial Reporting Interpretation No.1 (Revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
- Thai Financial Reporting Interpretation No.4 (Revised 2017)	Determining whether an Arrangement contains a Lease
- Thai Financial Reporting Interpretation No.5 (Revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- Thai Financial Reporting Interpretation No.7 (Revised 2017)	Applying the Restatement Approach under TAS 29 (Revised 2017) Financial Reporting in Hyperinflationary Economies
- Thai Financial Reporting Interpretation No.10 (Revised 2017)	Interim Financial Reporting and Impairment

- Thai Financial Reporting Interpretation No.12 (Revised 2017)	Service Concession Arrangements
- Thai Financial Reporting Interpretation No.13 (Revised 2017)	Customer Loyalty Programmes
- Thai Financial Reporting Interpretation No.14 (Revised 2017)	TAS 19 (Revised 2017) Employee benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Thai Financial Reporting Interpretation No.15 (Revised 2017)	Agreements for the Construction of Real Estate
- Thai Financial Reporting Interpretation No.17 (Revised 2017)	Distributions of Non-cash Assets to Owners
- Thai Financial Reporting Interpretation No.18 (Revised 2017)	Transfers of Assets from Customers
- Thai Financial Reporting Interpretation No.20 (Revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
- Thai Financial Reporting Interpretation No.21 (Revised 2017)	Levies

The Management of EGATi has assessed and determined the potential impact of adopting Thai Accounting Standards (TASs), Thai Financial Reporting Standards (TFRSs), Thai Standing Interpretations and Thai Financial Reporting Interpretations, and has concluded that they shall not have the significant impact on the financial statements when the compliances commence.

#### **6. The effects of adjustments and reclassifications on financial statements of EGATi**

EGATi's separate financial statement and the financial statement in which the equity method is applied have been restated as follows:

6.1 Error correction is related to accounting for the investment in associates. The price EGATi actually paid was recognized as the investment, and has been corrected to the actual purpose price pursuant to Subscription Agreement, including the related direct cost. The difference, the unpaid amount, will be recognized as liabilities.

6.2 An adjustment is related to accounting for share of profit from measuring the fair value of the investment in associates in financial statement in which the equity method is applied.

6.3 Due to the error correction of the investment in associates, gains or losses on foreign exchange rate, from liability recognition of the investment in associates, income tax expenses are adjusted.

6.4 Reclassification is related to the rearrangement between the currency translation differences and the share of other comprehensive income (loss) of associates.

6.5 The share of other comprehensive income (loss) of associates, in items that will not be reclassified to profit or loss in subsequently, is reclassified into the retained earnings (deficit).

The effects on the statement of financial position and statements of change in shareholders' equity are as follows;

Unit : Baht

	Financial statements			
	in which the equity method is applied			
	Before restated and reclassified	Restated	Reclassified	After restated and reclassified
<b>STATEMENT OF FINANCIAL POSITION</b>				
<b>AS AT DECEMBER 31, 2016</b>				
Investment in associates	7,128,240,353.25	5,752,356,611.24	-	12,880,596,964.49
Accounts payable - related party	-	5,814,403,750.00	-	5,814,403,750.00
Retained earnings (Deficit)	(547,648,570.86)	(62,047,138.76)	2,682,875.25	(607,012,834.37)
Other components of shareholders' equity	154,232,176.95	-	(2,682,875.25)	151,549,301.70
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>FOR THE YEAR ENDED DECEMBER 31, 2016</b>				
Administrative expenses	203,916,435.12	(7,885,811.70)	-	196,030,623.42
Loss on foreign exchange rate	21,561,107.20	55,862,850.00	-	77,423,957.20
Share of profit (loss) from investment in associates	48,638,880.48	(21,105,438.76)	-	27,533,441.72
Income tax expenses	23,693,004.07	(7,035,338.30)	-	16,657,665.77
Loss for the year	(147,140,270.44)	(62,047,138.76)	-	(209,187,409.20)
Currency translation differences	-	-	(52,055,037.89)	(52,055,037.89)
Share of other comprehensive income (loss) of associates	(52,055,037.89)	-	52,055,037.89	-



## (TRANSLATION)

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Unit : Baht

## Financial statements

in which the equity method is applied

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT JANUARY 1, 2016

	Before restated and reclassified	Restated	Reclassified	As restated and reclassified
Currency translation differences	-	-	203,604,339.59	203,604,339.59
Share of other comprehensive income (loss) of associates	203,604,339.59	-	(203,604,339.59)	-

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT JANUARY 1, 2017

Retained earnings (Deficit)	(547,648,570.86)	(62,047,138.76)	2,682,875.25	(607,012,834.37)
Currency translation differences	-	-	151,549,301.70	151,549,301.70
Share of other comprehensive income (loss) of associates	154,232,176.95	-	(154,232,176.95)	-
Total shareholders' equity	11,702,083,606.09	(62,047,138.76)	-	11,640,036,467.33

Unit : Baht

## Separate financial statements

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	Before restated	Restated	After restated
Investment in associates	7,387,103,769.46	5,773,462,050.00	13,160,565,819.46
Accounts payable - related party	-	5,814,403,750.00	5,814,403,750.00
Deficit	(134,552,977.70)	(40,941,700.00)	(175,494,677.70)

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

Administrative expenses	203,916,435.12	(7,885,811.70)	196,030,623.42
Loss on foreign exchange rate	21,561,107.20	55,862,850.00	77,423,957.20
Income tax expenses	23,693,004.07	(7,035,338.30)	16,657,665.77
Profit for the year	207,354,510.47	(40,941,700.00)	166,412,810.47

Unit : Baht

## Separate financial statements

	Before restated	Restated	After restated
<b>STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>			
<b>AS AT JANUARY 1, 2017</b>			
Deficit	(134,552,977.70)	(40,941,700.00)	(175,494,677.70)
Total shareholders' equity	11,960,947,022.30	(40,941,700.00)	11,920,005,322.30

**7. Additional information****7.1 Cash and cash equivalents comprise;**

Unit : Baht

	2017	2016
Current account	1,000.00	1,000.00
Saving accounts	51,694,435.59	10,242,208.83
Fixed deposits not more than 3 months	255,944,816.53	68,036,537.47
Fixed deposit receipts not more than 3 months	2,060,345.95	17,806,081.97
<b>Total cash and cash equivalents</b>	<b>309,700,598.07</b>	<b>96,085,828.27</b>

**7.2 Temporary investments comprise;**

Unit : Baht

	2017	2016
Deposits more than 3 months		
but not more than 12 months	2,393,683,955.05	602,175,946.15
Fixed deposit receipts more than 3 months		
but not more than 12 months	2,052,857,142.13	1,974,867,030.21
<b>Total temporary investments</b>	<b>4,446,541,097.18</b>	<b>2,577,042,976.36</b>

**7.3 Related party transactions**

Related parties to EGATi for the year ended December 31, 2017 are as follows:

<b>Name of entity</b>	<b>Country of incorporation/nationality</b>	<b>Nature of relationship</b>
EGAT	Thailand	100% shareholding
Nam Ngiep 1 Power Company Limited	Lao PDR	Associated company, EGATi has 30% shareholding
PT Adaro Indonesia	Republic of Indonesia	Associated company, EGATi has 11.533% shareholding

**Related party transactions** are as follows:

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>7.3.1 Trade accounts receivable - related party</b> comprise;		
Nam Ngiep 1 Power Company Limited	2,314,979.00	3,127,900.75
<b>7.3.2 Other accounts receivable - related party</b> comprise;		
Managements and officers	200,759.53	3,035.50
Nam Ngiep 1 Power Company Limited	101,030.00	42,180.00
EGAT	-	61,750.00
<b>7.3.3 Trade accounts payable - related party</b> comprise;		
EGAT	1,344,759.69	40,669,168.46

		Unit : Baht	
		2017	2016
<b>7.3.4</b>	<b>Other accounts payable - related party comprise;</b>		
	<b>Other accounts payable</b>		
	Managements and officers	919,279.07	417,313.95
	EGAT	609,975.55	65,407.22
	<b>Accrued expenses</b>		
	EGAT	168,728.45	1,448,897.86
<b>7.3.5</b>	<b>Accounts payable - related party comprise;</b>		
	PT Adaro Indonesia	5,304,822,800.00	5,814,403,750.00
<b>7.3.6</b>	<b>Revenues - related party comprise;</b>		
	Nam Ngiep 1 Power Company Limited	9,648,508.48	12,683,446.75
	PT Adaro Indonesia	2,934,620,347.15	403,133,661.39
<b>7.3.7</b>	<b>Cost of services - related party comprise;</b>		
	EGAT	248,623.50	5,874,260.00
<b>7.3.8</b>	<b>Administrative expenses - related party comprise;</b>		
	Directors and managements remuneration	25,822,041.17	22,063,447.41
	EGAT	6,645,113.19	6,314,583.99



**7.4 Trade accounts receivable comprise;**

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Trade accounts receivable - related party (Note 7.3.1)</b>		
Nam Ngiep 1 Power Company Limited		
Associate management services	2,314,979.00	3,127,900.75
<b>Total trade accounts receivable</b>	<b>2,314,979.00</b>	<b>3,127,900.75</b>

**7.5 Other accounts receivable comprise;**

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Other accounts receivable - related party (Note 7.3.2)</b>		
Managements and officers	200,759.53	3,035.50
Nam Ngiep 1 Power Company Limited	101,030.00	42,180.00
EGAT	-	61,750.00
	<b>301,789.53</b>	<b>106,965.50</b>
Other accounts receivable - co-developer	12,791,672.61	13,161,572.26
Other accounts receivable - other parties	6,930,605.26	6,930,252.00
Prepaid expenses	216,242.21	150,970.91
Accrued interest income	34,344,154.20	3,794,612.55
<b>Total other accounts receivable</b>	<b>54,584,463.81</b>	<b>24,144,373.22</b>

## 7.6 Bank deposits as collateral

The bank deposits amount of USD 13.559 million or approximately Baht 440.87 million (using the buying rate as at December 29, 2017 at Baht 32.5146 per USD) with BNP PARIBAS BANGKOK BRANCH is a guarantee to issue Standby letter of credit: SBLC for unpaid share capital to Nam Ngiep 1 Power Company Limited which will be decreased by the amount of money paid for the share capital as mentioned in Note 11.2.

## 7.7 Investment in associates

### 7.7.1 Information of associated company

Company name	Country of	Business	Shareholding proportion	
	incorporation/nationality		(percentage)	
Associate company			2017	2016
Nam Ngiep 1 Power Company Limited	Lao PDR	Generation and supply of electricity	30	30
PT Adaro Indonesia	Republic of Indonesia	Generation and supply of coal	11.533	11.533

EGATi invested in PT Adaro Indonesia with shareholding proportion of 11.533% which EGATi has 1 representative in Board of Commissioners from total 6 representatives for control the management of Board of Directors which EGATi has 1 voting rights.

### 7.7.2 Details of investment in associates

Unit : Baht

Company name	Shareholding proportion (percentage)		Equity Method		Cost Method		Dividend	
	2017	2016	2017	2016	2017	2016	2017	2016
Associated Company								
Nam Ngiep 1 Power Company Limited	30	30	1,775,997,234.34	1,563,413,742.58	2,178,714,361.66	1,557,249,669.46	-	-
PT Adaro Indonesia	11.533	11.533	9,764,355,472.01	11,317,183,221.91	11,603,316,150.00	11,603,316,150.00	2,934,620,347.15	403,133,661.39
<b>Total</b>			<b>11,540,352,706.35</b>	<b>12,880,596,964.49</b>	<b>13,782,030,511.66</b>	<b>13,160,565,819.46</b>	<b>2,934,620,347.15</b>	<b>403,133,661.39</b>

Movements in investments in associates can be analyzed as follows;

	Unit : Baht			
	Equity Method		Cost Method	
	2017	2016	2017	2016
Book value at the beginning of year	12,880,596,964.49	1,111,764,180.14	13,160,565,819.46	966,760,652.80
Additional investments	621,464,692.20	590,489,016.66	621,464,692.20	590,489,016.66
Purchase of investment in associates	-	11,603,316,150.00	-	11,603,316,150.00
Share of profit from investment in associates	1,338,013,219.71	27,533,441.72	-	-
Currency translation differences	(366,098,360.60)	(52,055,037.89)	-	-
Share of other comprehensive income (loss) of associates				
Changes in fair value of available-for-sale				
financial assets	4,010,621.18	-	-	-
Remeasurements of defined benefit plans	(3,014,083.48)	2,682,875.25	-	-
Dividend income	(2,934,620,347.15)	(403,133,661.39)	-	-
<b>Book value at the end of year</b>	<b>11,540,352,706.35</b>	<b>12,880,596,964.49</b>	<b>13,782,030,511.66</b>	<b>13,160,565,819.46</b>

### Investment in Nam Ngiep 1 Power Company Limited

On September 11, 2014, Nam Ngiep 1 Power Company Limited achieved financial agreement which result in funding the loan to the project instead of money funded from share capital by the shareholders. Loan will be drawn down until debt to equity ratio reaches 71:29. In 2017, the debt to equity ratio has reached to the defined point, therefore EGATi has increase investment in Associated Company in the amount of USD 18.186 million.

On May 9, 2017, Nam Ngiep 1 Power Company Limited has increased the registered capital from 2,000,000 shares to 2,500,000 shares which EGATi has increased 150,000 shares, total amount of shares 750,000.

EGATi has pledged all of shares in Nam Ngiep 1 Power Company Limited in amount of 750,000 shares at USD 100.00 per share and grant security over all related dividends and other rights, interests and benefits arising from such shares in favor of Nam Ngiep 1 Power Company Limited's lenders and other secured parties, as at December 31, 2017, EGATi has fully paid up share in amount of 649,482 shares.

**Investment in PT Adaro Indonesia**

EGATi has signed Subscription Agreement for purchase shares in PT Adaro Indonesia in amount of USD 325 million. On November 22, 2016, EGATi has paid for such share in amount of USD 163.500 million (approximately Baht 5,829.85 million) and EGATi will pay the remaining in amount of USD 161.500 million in 2022-2027 when PT Adaro Indonesia has met the condition in Subscription Agreement as mentioned in Note 11.3.

As at December 31, 2017, EGATi determined fair value of the acquired net asset and allocated cost of business combination. The detail of investment is described below:

	Financial consolidated information  <b>Unit : Baht</b>
Fair value of net assets acquired	4,290,096,753.65
Revaluation surplus of mining properties (presented in investment in associates)	3,523,674,395.45
Goodwill (presented in investment in associates)	3,789,545,000.90
Purchase consideration	11,603,316,150.00

Revaluation surplus of mining properties will be amortized by the units of production method between the coal production in each year and total coal production plan.

**Hedging items in associated company**

Nam Ngiep 1 Power Company Limited entered into Interest Rate Swap Contract (IRS) and Cross Currency Swap Contract (CCS).

PT Adaro Indonesia entered into fuel hedging contracts which are based on price on GAS OIL - 0.5 SINGAPORE - PLATTS ASIA - PACIFIC.

In accordance with International Accounting Standard No.39 on Financial Instruments: Recognition and Measurement, as at December 31, 2017, the effective of hedging are as follows;

1. Interest Rate Swap Contract incurred gains of USD 3.149 million (approximately Baht 105.79 million) which recognized in the other comprehensive income.



2. Cross Currency Swap Contract incurred losses of USD 1.116 million (approximately Baht 38.21 million) which recognized in the profit and loss.

3. Fuel hedging Contract incurred gains of USD 1.974 million (approximately Baht 64.87 million) which recognized in the profit and loss, and losses of USD 0.603 million (approximately Baht 23.28 million) in the other comprehensive income (using the average rate during the period).

In the preparation of the financial statements under the equity method, EGATi does not recognize derivative transactions in the investment under the equity method and share of gains or losses from associates due to Thai Accounting Standards is not currently applicable for International Accounting Standard No. 39 on Financial Instruments: Recognition and Measurement.

#### 7.8 Equipment comprise;

	Unit : Baht	
	<b>Furniture and office equipment</b>	<b>Total</b>
<b>Cost</b>		
As at January 1, 2016	4,480,806.84	4,480,806.84
Additions during the year	474,745.00	474,745.00
As at December 31, 2016	4,955,551.84	4,955,551.84
Additions during the year	504,184.00	504,184.00
Disposal/Write-off	(253,711.99)	(253,711.99)
As at December 31, 2017	5,206,023.85	5,206,023.85
<b>Accumulated depreciation</b>		
As at January 1, 2016	(3,349,017.18)	(3,349,017.18)
Depreciation for the year	(592,133.94)	(592,133.94)
As at December 31, 2016	(3,941,151.12)	(3,941,151.12)
Depreciation for the year	(400,240.80)	(400,240.80)
Disposal/write-off	246,144.85	246,144.85
As at December 31, 2017	(4,095,247.07)	(4,095,247.07)
<b>Net book value</b>		
As at December 31, 2016	<b>1,014,400.72</b>	<b>1,014,400.72</b>
As at December 31, 2017	<b>1,110,776.78</b>	<b>1,110,776.78</b>

EGATi's equipment has included financial lease asset as follows;

	Unit : Baht		
	Cost	Depreciation	Net book value
As at December 31, 2017	319,500.00	64,771.11	254,728.89
As at December 31, 2016	319,500.00	872.91	318,627.09

**7.9 Intangible assets comprise;**

	Unit : Baht	
	Computer software	Total
<b>Cost</b>		
As at January 1, 2016	3,148,062.99	3,148,062.99
Additions during the year	339,237.08	339,237.08
As at December 31, 2016	3,487,300.07	3,487,300.07
Additions during the year	-	-
As at December 31, 2017	3,487,300.07	3,487,300.07
<b>Accumulated amortization</b>		
As at January 1, 2016	(899,913.41)	(899,913.41)
Amortization for the year	(645,507.09)	(645,507.09)
As at December 31, 2016	(1,545,420.50)	(1,545,420.50)
Amortization for the year	(664,066.89)	(664,066.89)
As at December 31, 2017	(2,209,487.39)	(2,209,487.39)
<b>Net book value</b>		
As at December 31, 2016	1,941,879.57	1,941,879.57
As at December 31, 2017	1,277,812.68	1,277,812.68

**7.10 Project development costs - for collection**

As at December 31, 2017, EGATi has recognized project development costs - for collection in the amount of Baht 496.21 million of the Upper Thanlwin (Mong Ton) Hydropower Project and Quang Tri 1 Thermal Power Project which the principle of project investment was approved by the Minister of Energy on November 21, 2014 and May 16, 2016 respectively. These costs are agreed by Project Management Committee to reimburse after establishment of the project company as follows:

	Unit : Baht		
	Upper Thanlwin (Mong Ton)	Quang Tri 1 Thermal Power	Total
	Hydropower Project	Plant Project	
Balance at January 1,2016	473,754,680.80	-	473,754,680.80
Additions during the year	46,395,176.63	8,741,677.76	55,136,854.39
Loss on foreign exchange rate	(34,857,457.05)	(46,356.56)	(34,903,813.61)
Balance at December 31,2016	485,292,400.38	8,695,321.20	493,987,721.58
Additions during the year	11,049,732.62	4,766,506.42	15,816,239.04
Loss on foreign exchange rate	(12,883,507.55)	(710,681.76)	(13,594,189.31)
Balance at December 31,2017	483,458,625.45	12,751,145.86	496,209,771.31

## 7.11 Deferred income taxes

### 7.11.1 Deferred tax assets and liabilities

	Unit : Baht	
	2017	2016
Deferred tax assets (liabilities), net	808,967.19	-

### 7.11.2 Movements in deferred tax assets and liabilities

	Unit : Baht			
	2016	Profit or Loss	Other comprehensive income	2017
Deferred tax assets :				
Employee benefits	-	716,964.80	133,508.40	850,473.20
Total	-	716,964.80	133,508.40	850,473.20
Deferred tax liabilities :				
Finance lease liabilities	-	18,995.78	-	18,995.78
Equipment	-	22,510.23	-	22,510.23
Total	-	41,506.01	-	41,506.01

**7.12 Trade accounts payable comprise;**

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Trade accounts payable - related party (Note 7.3.3)</b>		
EGAT		
Survey fees - Hutgyi Hydropower Project	-	40,211,860.09
Administrative service expenses	1,344,759.69	457,308.37
	<b>1,344,759.69</b>	<b>40,669,168.46</b>
<b>Trade accounts payable - non-related party</b>		
Consultant fees	87,602.47	27,398,650.00
Associate management service expenses	-	145,161.00
	<b>87,602.47</b>	<b>27,543,811.00</b>
<b>Total trade accounts payable</b>	<b>1,432,362.16</b>	<b>68,212,979.46</b>

**7.13 Other accounts payable comprise;**

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Other accounts payable - related party, entity (Note 7.3.4)</b>		
EGAT		
Airfares	584,655.00	-
Car rental for executives	-	43,014.00
Travelling expenses - EGAT 's employees	23,238.90	-
Other expenses	2,081.65	22,393.22
	<b>609,975.55</b>	<b>65,407.22</b>
<b>Other accounts payable - related party, individuals (Note 7.3.4)</b>	<b>919,279.07</b>	<b>417,313.95</b>
<b>Other accounts payable - non-related party</b>	<b>1,338,307.92</b>	<b>983,684.87</b>



	Unit : Baht	
	2017	2016
<b>Accrued expenses - related party (Note 7.3.4)</b>		
EGAT		
Key management service expenses	-	878,594.50
Survey fees - Upper Thanlwin (Mong Ton) Hydropower Project	58,835.45	-
Travelling expenses	23,865.00	489,970.00
Car rental for executives	86,028.00	43,014.00
Other expenses	-	37,319.36
	<b>168,728.45</b>	<b>1,448,897.86</b>
<b>Other accrued expenses comprise;</b>		
Project development expenses	5,974,019.74	15,579,778.21
Employee expenses	21,762,444.93	20,196,356.49
Other service fees	2,632,032.51	2,468,571.43
Other expenses	1,393,142.82	1,045,200.00
	<b>31,761,640.00</b>	<b>39,289,906.13</b>
<b>Total other accounts payable</b>	<b>34,797,930.99</b>	<b>42,205,210.03</b>

**7.14 Other current liabilities comprise;**

	Unit : Baht	
	2017	2016
Deposit received and security guarantee	450,245.00	653,992.58
Withholding tax	433,475.19	410,762.84
Withholding tax payable to Lao PDR	104,561.55	180,546.78
<b>Total other current liabilities</b>	<b>988,281.74</b>	<b>1,245,302.20</b>

**7.15 Non-current provisions for employee benefits**

As at December 31, 2017, Non-current provisions for employee benefits as shown in statement of financial position comprise of;

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
Balance the beginning	3,108,286.00	2,303,873.00
Current service costs	843,472.00	716,864.00
Interest costs	139,557.00	87,549.00
Actuarial losses	667,542.00	-
Past service costs	757,273.00	-
Actual payment	(1,263,764.00)	-
<b>Balance the end</b>	<b>4,252,366.00</b>	<b>3,108,286.00</b>

Expenses in administrative expenses for the year ended December 31, 2017 are as follows:

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
Current service costs	843,472.00	716,864.00
Interest costs	139,557.00	87,549.00
Past service costs	757,273.00	-
<b>Total</b>	<b>1,740,302.00</b>	<b>804,413.00</b>

Actuarial losses from post-employment benefit obligation recognized in the statements of comprehensive income for the year ended December 31, 2017 are as follows:

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
Loss from experience adjustments	418,207.00	-
Loss from changes in financial assumptions	156,059.00	-
Loss from changes in demographic assumptions	93,276.00	-
<b>Total</b>	<b>667,542.00</b>	<b>-</b>

## Principal actuarial assumptions

	Annual percentage	
Discount rate	3.0	
Inflation rate		
Consumer price index	3	
Turnover rate	4	For the employees not over 49 years old
	0	For the employees 50 years old or more
Salary increase rate	6-8	
Accrual of unutilized leave	1.5 days/annum (Maximum 30 days)	
Mortality rate (by table)	TMO17	(Thai mortality tables in 2017)

Sensitivity analysis of principal actuarial assumptions used in determining the present value of benefit obligations as at December 31, 2017 are as follow:

Unit : Baht

	Increase (decrease) in present value of the obligation	
	Increase 1%	Decrease 1%
Discount rate	(579,701.00)	723,689.00
Salary increasing rate	688,619.00	(566,667.00)

### 7.16 Share capital

On January 1, 2017, EGATi's registered paid-up capital was Baht 12,095.50 million which consisted of 1,209.55 million ordinary shares at Baht 10 per share. On April 26, 2017, EGATi has increased the registered capital which has been fully paid by the shareholders for Baht 101.90 million.

On December 31, 2017, EGATi's registered paid-up capital was Baht 12,197.40 million which consisted of 1,219.74 million ordinary shares at Baht 10 per share. In this regard, 99.99% of share capital was held by the EGAT, the remaining was assigned by EGAT to be held by EGAT's executives.

**7.17 Revenue from services**

Revenue from services for the year ended December 31, 2017 are as follows:

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenue from service - related party (Note 7.3.6)</b>		
Nam Ngiep 1 Power Company Limited		
Management services agreement	9,648,508.48	12,683,446.75
<b>Total revenue from service</b>	<b>9,648,508.48</b>	<b>12,683,446.75</b>

**7.18 Other income - others**

Other income - others for the year ended December 31, 2017 are as follows:

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
Penalty	26,974.04	26,162.10
Others	302,909.26	99,438.93
<b>Total other income - others</b>	<b>329,883.30</b>	<b>125,601.03</b>

**7.19 Cost of services**

Cost of services for the year ended December 31, 2017 are as follows:

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Cost of services - related party (Note 7.3.7)</b>		
EGAT		
Key management service expenses	248,623.50	5,874,260.00
Associate management service expenses	6,289,076.36	5,502,252.64
<b>Total cost of services</b>	<b>6,537,699.86</b>	<b>11,376,512.64</b>

**7.20 Administrative expenses**

Administrative expenses for the year ended December 31, 2017 are as follows:

	Unit : Baht	
	2017	2016
<b>Administrative expenses - related party (Note 7.3.8)</b>		
EGAT		
Administrative service expenses	5,810,099.74	5,814,599.35
Car rental for executives	516,168.00	473,154.00
Survey fees - Hutgyi Hydropower Project	-	(158,279.36)
Survey fees - Upper Thanlwin (Mong Ton) Hydropower Project	318,845.45	185,110.00
	<b>6,645,113.19</b>	<b>6,314,583.99</b>
Employee expenses	73,577,886.88	93,449,189.46
Project development expenses	6,361,600.94	42,825,001.96
Associate administrative expenses	3,231,434.64	1,554,889.22
Other service fees	15,727,872.00	12,135,593.62
Committee travelling expenses	4,492,243.87	3,629,911.08
Others	16,487,924.73	36,121,454.09
<b>Total administrative expenses</b>	<b>126,524,076.25</b>	<b>196,030,623.42</b>

Project development expenses for the year ended December 31, 2017 in the amount of Baht 6.36 million; mostly are consultant fees amounted of Baht 0.76 million and travelling expenses amounted of Baht 5.37 million.



**7.21 Expenses by nature**

Expenses by nature for the year ended December 31, 2017 are as follows:

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
Employee expenses	74,094,054.88	93,922,343.46
Outsourcing costs	23,957,673.81	25,382,729.97
Project development expenses	6,680,446.39	42,851,832.60
Depreciation and amortization	1,064,307.69	1,237,641.03
Loss on foreign exchange rate	-	77,423,957.20
Other expenses	27,265,293.34	44,012,589.00
<b>Total expenses by nature</b>	<b>133,061,776.11</b>	<b>284,831,093.26</b>

**7.22 Income tax expenses**

	<b>Unit : Baht</b>	
	<b>2017</b>	<b>2016</b>
Current income tax	628,091,054.75	16,657,665.77
Deferred income tax	(675,458.79)	-
<b>Total income tax expenses</b>	<b>627,415,595.96</b>	<b>16,657,665.77</b>

## (TRANSLATION)

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The income tax on profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country as follows:

	Unit : Baht	
	Separate financial statements	
	2017	2016
Profit before income taxes	3,129,633,596.01	183,070,476.24
Tax calculated at a tax rate of	20%	20%
The result of the accounting profit		
multiplied by the income tax rate	625,926,719.20	36,614,095.25
Tax effect of :		
Expenses not deductible for tax purposes and		
income and expenses recognised in the different		
periods between accounting and tax	1,714,091.46	11,207,651.89
Additional expenses deduction allowed	(225,214.70)	(414,005.04)
Deficit that not more than 5 accounting period	-	(30,750,076.33)
<b>Income tax expenses</b>	<b>627,415,595.96</b>	<b>16,657,665.77</b>

The weighted average applicable tax rate for EGATi in 2017 and 2016 were 20.05% and 9.10%, respectively

**7.23 Basic earnings (loss) per share**

Basic earnings (loss) per share for the year ended December 31, 2017 are as follows:

Unit : Baht

	Financial statements		Separate financial statements	
	in which the equity method is applied			
	2017	2016	2017	2016
Net profit (loss) attributable to				
shareholders' equity	905,610,872.61	(209,187,409.20)	2,502,218,000.05	166,412,810.47
Weighted average number of				
the ordinary shares (unit:shares)	1,216,529,452.05	687,604,098.36	1,216,529,452.05	687,604,098.36
<b>Basic earnings (loss) per share</b>	<b>0.74</b>	<b>(0.30)</b>	<b>2.06</b>	<b>0.24</b>

**8. Memorandum of Understanding (MOU) and Memorandum of Agreement (MOA)****8.1 MOU and MOA for Hutgyi Hydropower Project**

On June 26, 2006, the EGAT and SinoHydro Corporation Limited (SINOHYDRO), the People's Republic of China signed a bilateral MOU in cooperation with the development of Hutgyi Hydropower Project in the Republic of the Union of Myanmar.

Later, On December 18, 2007, EGAT has established EGATi as a wholly-owned subsidiary and an investing arm of EGAT. On June 26, 2008, the Ministry of Energy of Thailand approved EGAT's letter requesting the transfer of Hutgyi Hydropower Project development to EGATi (from EGAT).

Both parties later extended the aforementioned MOU for 3 additional times on April 25, 2007, March 10, 2008 and December 25, 2008 respectively. The last extension indicated a validity period of 2 years from the effective date. Then, on December 24, 2010, the 4th MOU extension, with some modifications to the agreed terms and conditions, was signed between EGATi and SINOHYDRO which will be effective until the signing of the Joint Venture Agreement (JVA).

On April 24, 2010, EGATi entered into a 4-party MOA with:

1. Department of Hydropower Planning Ministry of Electric Power No. (1), the Union of Myanmar (DHPP)

2. Sinohydro Corporation Limited, the People's Republic of China (SINOHYDRO)

3. International Group of Entrepreneur Company Limited, the Union of Myanmar (IGOEC)

The aim is for joint engineering and financial feasibility study for development of the Hutgyi Hydropower Project.

There are still conflicts among ethnic minorities in the Project areas. Management of EGATi agreed to delay development of this Project.

### **8.2 Joint Development Memorandum of Understanding (JD-MOU) for Upper Thanlwin (Mong Ton) Hydropower Project**

On November 11, 2010, EGATi entered into a Joint Development MOU with

1. China Three Gorges Corporation (CTGC)
2. International Group of Entrepreneurs Company Limited (IGOEC)

The objective of JD-MOU was to jointly develop the Upper Thanlwin (Mong Ton) Hydropower Project in the Republic of the Union of Myanmar. EGATi will be responsible for the Transmission Line and Power System Study for connection to Thailand's power grid as well as the project finance if required. Furthermore, EGATi and CTGC shall be responsible for EIA and O&M for the project.

In order that, all parties of the project's development shall prepare and submit the feasibility study report to the government of Republic of the Union of Myanmar and once approved, the parties will enter into a Memorandum of Agreement (MOA) and establish a Joint Venture Company.

### **8.3 MOU for Cooperation in the Development of Thermal Power Plant in Quang Tri 1, Vietnam**

On December 8, 2011, an MOU was signed between EGATi and People's Committee of Quang Tri Province (PCQT) to set a scope of feasibility study regarding the commercial, financial, technical and environmental aspects in the joint cooperation for mutual benefits. If the project is feasible and Government of Vietnam approves this project, PCQT would cooperate with related ministries in supporting EGATi for further processes.

To support this project, EGATi is responsible for conducting survey and feasibility studies to develop the project in order to submit the project proposal to PCQT, Ministry of Industry and Trade (MOIT), and Government of Vietnam.



Each party will bear its own internal costs and both parties have agreed that the external costs will be ultimately borne by a new established Joint Venture Company. The method of project development cost reimbursement and external costs payment as well as related agreements under this MOU shall be approved by EGATi.

On August 12, 2013, EGATi was approved by the Vietnamese government to be the project developer. The project shall be operated in a form of Build - Operate - Transfer (BOT) with the support from MOIT and PCQT.

On December 17, 2013, EGATi's Board of Directors had resolution to delay the signing of MOU between EGATi and MOIT for about 6 months in order to find solutions for proportion of project equity.

On June 24, 2014, MOU between EGATi and MOIT was signed in Hanoi, Vietnam to specify scope in developing the project between MOIT and EGATi; which is in accordance with promulgated Vietnamese law. On March 6, 2017, EGATi signed a new MOU with MOIT for extend the terms to replace the original MOU which had already expired.

On July 1, 2014, EGATi and Power Engineering Consulting Joint Stock Company 2 (PECC2) had signed on the service agreement to prepare Feasibility Study and Environmental Impact Assessment Report (F/S & EIA), in which the Supercritical (SC) technology was used, for submitting to the Vietnamese government. On October 8, 2015, Ministry of Natural Resources and Environment (MONRE) approved the Environmental Impact Assessment Report (EIA), while the Feasibility Study Report (F/S) is still under the reviewed of MOIT for approval.

On November 27, 2015, the Organisation for Economic Co-operation and Development (OECD) announced the financing policy of the Export-Credit Agency (ECA) for the coal-fired power plants project. Having an impact on Quang Tri 1 project, ECA's criteria for financing the project with capacity larger than 500 MW require the use of the Ultra-Supercritical (USC) technology, which differ from the past criteria that allowed the use of the Supercritical (SC) technology. For this reason, EGATi had to adjust the F/S & EIA, which had been conducted based on SC technology, to USC technology to be in accordance with ECA's new financing policy. On October 14, 2016, the adjusted EIA was approved by MONRE. Subsequently, the adjusted F/S was approved by MOIT on December 7, 2016.

On July 11, 2014, MOU between EGATi and PCQT in Quang Tri province was signed to strengthen relationship and specific scope in developing project between PCQT and EGATi.



On December 28, 2015, MOU between EGATi and Electricity Generating Public Company Limited (EGCO) was signed for cooperation in the development of Thermal Power Plant in Quang Tri 1 which EGCO has 30 percent of shareholder.

On June 10, 2016, Joint Development Agreement (JDA) between EGATi, EGCO and Kyushu Electric Power Co., Inc. (KYUSHU) was signed for cooperation in development of Thermal Power Project in Quang Tri 1 with shareholdings proportion of 40 : 30 : 30, respectively. Signing of the JDA resulted in the termination of the previous MOU with EGCO on December 28, 2015. Two addition MOUs were also signed, one between EGCO and EGATi and another between KYUSHU and EGATi, in order to specify other substantial terms and conditions that are not indicated in JDA.

On March 28, 2017, KYUSHU had sent organization reform notice to EGATi which Quang Tri 1 Thermal Power Project development had transfer to Kyuden International Corporation (KYUDEN) to strengthen and improve the efficiency of operations.

## **9. Contingent assets**

**9.1 Receipt of the payment of engineering feasibility and EIA studies** for the amount of USD 4.42 million, or approximately Baht 143.71 million (using the buying rate as at December 29, 2017 at Baht 32.5146 per USD) from the Project Company of the Hutgyi Hydropower Project.

Receipt of the payment for the project development which has been approved by Management Committee of the Hutgyi Hydropower Project to be reimbursed from the Project Company after the Project Company has been established the amount of Baht 48.57 million, or approximately USD 1.49 million as at December 31, 2017.

According to the meeting between EGAT and investment partner, SINOHYDRO Company, during August 2-10, 2006, both parties have agreed to allocate their responsibilities in respect to their joint development of the project including costs arising from their allocated responsibilities respectively, which can be reimbursed later from the Project Company once it has been established. Thereafter, on June 26, 2008, Ministry of Energy of Thailand has approved to transfer the project development role from EGAT to EGATi accordingly.

**9.2 Receipt of the payment for the project development, approved by Management Committee of the Upper Thanlwin (Mong Ton) Hydropower Project**, for the amount of Baht 30.66 million, or approximately USD 0.94 million as at December 31, 2017, to be reimbursed from the Project Company when it has been established.

According to MOU dated November 11, 2010 for the project development, all 3 parties have agreed to allocate their responsibilities in their joint development of the project including costs arising from such allocated responsibilities respectively, which can be reimbursed later by the Project Company once it has been established as mentioned in Note 8.2.

**9.3 Receipt of the payment for the project development, Thermal Power Plant in Quang Tri 1, Vietnam** which is audited by the internationally accepted auditor and accepted by the Ministry of Industry and Trade (MOIT) under the Build-Operate-Transfer (BOT) scheme, will be recognized as project's investment capital. As of December 31, 2017, the payment for the project development amount of Baht 77.01 million, or approximately USD 2.37 million and the premium fees from co-developer will be reimbursed after the Project Company has been established.

## **10. Contingent liabilities**

As at December 31, 2017, EGATi had contingent liabilities which were expenses incurred for Hutgyi Hydropower Project before the establishment of EGATi in the amount of Baht 80.86 million.

EGATi shall repay expenses incurred to EGAT once the Project Company has been established and EGATi is ready for repayment.

## **11. Commitments**

As at December 31, 2017, EGATi had commitments as follows:

### **11.1 Purchase Agreements**

EGATi has five significant purchase agreements with the remaining contract amount approximately Baht 227.71 million as follows:

There are three consulting service agreements in local currency with contract amount of Baht 131.77 million and the remaining contract amount approximately Baht 92.68 million.

There are two consulting service agreements in foreign currency with contract amount of USD 4.359 million and the remaining contract amount of USD 4.111 million, or approximately Baht 135.03 million (using the selling rate as at December 29, 2017 at Baht 32.8472 per USD).

### **11.2 Letter of Credit**

Standby Letter of Credit (SBLC) to guarantee EGATi's equity in Nam Ngiep 1 Power Company Limited to lender has renewed the contract for 1 year (expired on August 31, 2018) in the amount of USD 36.492 million which EGATi's bank deposits account in the amount of USD 13.559 million was secured as collateral as mentioned in Note 7.6.

### **11.3 Promissory Notes**

Promissory Notes for the remaining shares amount of USD 161.500 million will be paid when PT Adaro Indonesia had met the conditions in Subscription Agreement as mentioned in Note 7.7.

### **11.4 Pledge of Shares**

#### **EGATi Pledge of Shares in Nam Ngiep 1 Power Company Limited (NNP1PC)**

Nam Ngiep 1 Power Company Limited obtained facilities from certain financial institutions to finance its hydropower project in the Lao PDR in 2014 and entered into a Common Terms Agreement dated August 15, 2014 and other related finance documents (collectively, the Financial Documents) with the financial institutions named therein in connection with the financing of the project. As a condition to the financing, the shareholders of Nam Ngiep 1 Power Company Limited are required under the Finance Documents to pledge all of their shares in Nam Ngiep 1 Power Company Limited and grant security over all related dividends and other rights, interests and benefits arising from such shares in favor of Nam Ngiep 1 Power Company Limited's lenders and other secured parties. EGATi, therefore, entered into an EGATi Pledge of Shares dated August 15, 2014 with Bangkok Bank Public Company Limited (as the Lao PDR law security agent on behalf of the secured parties) pursuant to which EGATi pledged all of its shares in Nam Ngiep 1 Power Company Limited to the Lao PDR law security agent (on behalf of the secured parties) under the Lao PDR law. Under the terms of the Financial Documents, the share pledges will be released only upon the full discharge of all secured indebtedness owing to the secured parties.

## **12. Events after the reporting period**

12.1 On January 5, 2018, EGATi paid in the amount of USD 1.158 million, or approximately Baht 37.48 million for share capital to Nam Ngiep 1 Power Company Limited according to the shareholding of 30 percent.

12.2 On February 7, 2018, EGATi paid in the amount of USD 1.998 million, or approximately Baht 63.21 million for share capital to Nam Ngiep 1 Power Company Limited according to the shareholding of 30 percent.

12.3 On February 26, 2018, the Annual General Meeting of the Shareholders of PT Adaro Indonesia had resolutions for approval of the distribution of final dividend of fiscal year 2017 in the amount of USD 321.060 million which EGATi will received dividend according to the shareholding of 11.533 percent in amount of approximately USD 37.000 million, or approximately Baht 1,155.07 million before tax.

## **13. Reclassification transactions**

EGATi reclassified some transactions in the financial statements for the year ended December 31, 2016 for conformity with the presentation of the financial statements for the year ended December 31, 2017.

## **14. Authorization of financial statements**

The issuance of these financial statements has been authorized by EGATi's authorized directors on March 9, 2018.

*(Signed) Watchara Hemruchatanun*

(Mr. Watchara Hemruchatanun)

President

