

AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
EGAT INTERNATIONAL COMPANY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2018

No. 0041/

1109

STATE AUDIT OFFICE OF THE KINGDOM
OF THAILAND

Rama VI Road, Phayathai,

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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, 2018 of EGAT International Company Limited and separate financial statements for the year ended December 31, 2018 of EGAT International Company Limited was translated by EGAT International Company Limited. The State Audit Office of the Kingdom 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, 2019



(Prawit Tantrajin)

Director of Financial and Procurement Audit Office No. 15

for Auditor General



(TRANSLATION)

AUDITOR'S REPORT

To the Shareholders of EGAT International Company Limited

Opinion

The State Audit Office of the Kingdom of Thailand has audited the accompanying financial statements in which the equity method is applied and separate financial statement 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, 2018, 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 State Audit Office of the Kingdom 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, 2018, 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 (TFRSS).

Basis for opinion

The State Audit Office of the Kingdom of Thailand conducted the audit in accordance with the State Audit Standards and Thai Standards on Auditing (TSAs). The State Audit

State Audit Office of the Kingdom of Thailand



Office of the Kingdom of Thailand's responsibilities 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 State Audit Office of the Kingdom of Thailand's report. The State Audit Office of the Kingdom of Thailand is independent of the Company in accordance with the ethical requirements set out in the State Audit Standards and the Thailand Federation of Accounting Professions' Code of Ethics for Professional Accountants that are relevant to the State Audit Office of the Kingdom 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 standards and requirements. The State Audit Office of the Kingdom of Thailand believes that the audit evidence the State Audit Office of the Kingdom of Thailand has obtained is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom 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 State Audit Office of the Kingdom of Thailand after the date of this auditor's report.

The State Audit Office of the Kingdom 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 State Audit Office of the Kingdom 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 State Audit Office of the Kingdom 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 State Audit Office of the Kingdom of Thailand's knowledge obtained in the audit, or otherwise appears to be materially misstated.

State Audit Office of the Kingdom of Thailand



When the State Audit Office of the Kingdom of Thailand reads the annual report, if the State Audit Office of the Kingdom of Thailand concludes that there is a material misstatement therein, the State Audit Office of the Kingdom 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 TFRSs, and for such internal control as management determines is necessary to enable the preparation of the 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 State Audit Office of the Kingdom 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 State Audit Office of the Kingdom of Thailand's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the State Audit Standards and TSAs 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 the State Audit Standards and TSAs, the State Audit Office of the Kingdom of Thailand exercises professional judgment and maintain professional skepticism throughout the audit. The State Audit Office of the Kingdom 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 State Audit Office of the Kingdom 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 the 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 State Audit Office of the Kingdom of Thailand concludes that a material uncertainty exists, the State Audit Office of the Kingdom of Thailand is required to draw attention in the auditor's report of the State Audit Office of the Kingdom 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 State Audit Office of the Kingdom of Thailand's opinion. The State Audit Office of the Kingdom of Thailand's conclusions are based on the audit evidence obtained up to the date of the auditor's report of the State Audit Office of the Kingdom 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 State Audit Office of the Kingdom 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 State Audit Office of the Kingdom of Thailand identifies during the State Audit Office of the Kingdom of Thailand's audit.

(Signed)

Prawit Tantrajin

(Prawit Tantrajin)

Director of Financial and Procurement Audit Office No. 15

(Signed)

Buddhachard Tanjong

(Buddhachard Tanjong)

Auditor, Senior Professional Level

EGAT INTERNATIONAL COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

Unit : Baht

	Notes	Financial statements		Separate Financial Statements	
		in which the equity method is applied			
		2018	2017	2018	2017
ASSETS					
Current assets					
Cash and cash equivalents	6.1	3,431,059,209.95	309,700,598.07	3,431,059,209.95	309,700,598.07
Temporary investments	6.2	2,513,574,493.40	4,446,541,097.18	2,513,574,493.40	4,446,541,097.18
Trade accounts receivable	6.4	1,314,138.00	2,314,979.00	1,314,138.00	2,314,979.00
Other accounts receivable	6.5	41,836,882.49	54,584,463.81	41,836,882.49	54,584,463.81
Accrued dividend income from associates		277,850,373.95	380,942,435.47	277,850,373.95	380,942,435.47
Bank deposits as collateral	6.6	103,938,561.65	440,867,679.87	103,938,561.65	440,867,679.87
Prepaid income taxes		27,858,423.09	535,610.51	27,858,423.09	535,610.51
Total current assets		6,397,432,082.53	5,635,486,863.91	6,397,432,082.53	5,635,486,863.91
Non-current assets					
Investment in associates	6.7.2	11,693,486,857.78	11,540,352,706.35	14,116,283,434.06	13,782,030,511.66
Equipment	6.8	3,390,680.19	1,110,776.78	3,390,680.19	1,110,776.78
Intangible assets	6.9	1,142,009.13	1,277,812.68	1,142,009.13	1,277,812.68
Project development costs - for collection	6.10	486,730,579.66	496,209,771.31	486,730,579.66	496,209,771.31
Deferred tax assets	6.11	1,057,661.83	808,967.19	1,057,661.83	808,967.19
Total non-current assets		12,185,807,788.59	12,039,760,034.31	14,608,604,364.87	14,281,437,839.62
TOTAL ASSETS		18,583,239,871.12	17,675,246,898.22	21,006,036,447.40	19,916,924,703.53

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

(Signed) Santichai Osotpavapusit
(Mr. Santichai Osotpavapusit)
Senior Executive Vice President
Acting President
EGAT International Company Limited

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

Unit : Baht

		Financial statements			
	Notes	in which the equity method is applied		Separate Financial Statements	
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable	6.12	2,518,636.82	1,432,362.16	2,518,636.82	1,432,362.16
Other accounts payable	6.13	38,131,637.55	34,797,930.99	38,131,637.55	34,797,930.99
Current portion of finance lease liabilities	6.16	498,979.71	159,750.00	498,979.71	159,750.00
Income tax payable		-	46,881,923.89	-	46,881,923.89
Other current liabilities	6.14	1,062,611.21	988,281.74	1,062,611.21	988,281.74
Total current liabilities		42,211,865.29	84,260,248.78	42,211,865.29	84,260,248.78
Non-current liabilities					
Finance lease liabilities	6.16	1,750,630.45	-	1,750,630.45	-
Non-current provisions for employee benefits	6.15	5,349,497.00	4,252,366.00	5,349,497.00	4,252,366.00
Account payable - related party	6.3.5	5,267,290,200.00	5,304,822,800.00	5,267,290,200.00	5,304,822,800.00
Total non-current liabilities		5,274,390,327.45	5,309,075,166.00	5,274,390,327.45	5,309,075,166.00
TOTAL LIABILITIES		5,316,602,192.74	5,393,335,414.78	5,316,602,192.74	5,393,335,414.78
Shareholders' equity					
Share capital					
Authorized share capital	6.17				
1,219,740,000 ordinary shares - Baht 10 per share		12,197,400,000.00	12,197,400,000.00	12,197,400,000.00	12,197,400,000.00
Paid-up share capital					
1,219,740,000 ordinary shares - Baht 10 per share		12,197,400,000.00	12,197,400,000.00	12,197,400,000.00	12,197,400,000.00
Retained earnings					
Appropriated					
Legal reserve	6.18	125,110,900.00	-	125,110,900.00	-
Unappropriated		1,232,480,546.46	295,049,921.16	3,366,923,354.66	2,326,189,288.75
Other components of shareholders' equity		(288,353,768.08)	(210,538,437.72)	-	-
TOTAL SHAREHOLDERS' EQUITY		13,266,637,678.38	12,281,911,483.44	15,689,434,254.66	14,523,589,288.75
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		18,583,239,871.12	17,675,246,898.22	21,006,036,447.40	19,916,924,703.53

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

(Signed) Santichai Osotpavapusit
(Mr. Santichai Osotpavapusit)
Senior Executive Vice President
Acting President
EGAT International Company Limited

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

		Financial statements			
	Notes	in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
REVENUES					
Dividend income from associates	6.7.2	-	-	1,486,290,150.86	2,934,620,347.15
Revenue from services	6.19	6,403,329.94	9,648,508.48	6,403,329.94	9,648,508.48
Other income					
Interest income		122,744,794.26	74,187,951.60	122,744,794.26	74,187,951.60
Gain on foreign exchange rate		12,566,786.21	243,908,681.59	12,566,786.21	243,908,681.59
Others	6.20	238,481.55	329,883.30	238,481.55	329,883.30
Total revenues		141,953,391.96	328,075,024.97	1,628,243,542.82	3,262,695,372.12
EXPENSES					
Cost of services	6.21	4,085,799.41	6,537,699.86	4,085,799.41	6,537,699.86
Administrative expenses	6.22	160,605,248.09	126,524,076.25	160,605,248.09	126,524,076.25
Finance costs		143,027.46	-	143,027.46	-
Total expenses	6.23	164,834,074.96	133,061,776.11	164,834,074.96	133,061,776.11
Profit (Loss) before share of profit from investment in associates		(22,880,683.00)	195,013,248.86	1,463,409,467.86	3,129,633,596.01
Share of profit from investment in associates	6.7.2	1,379,028,786.04	1,338,013,219.71	-	-
PROFIT BEFORE INCOME TAXES		1,356,148,103.04	1,533,026,468.57	1,463,409,467.86	3,129,633,596.01
INCOME TAX EXPENSES	6.24	(297,564,501.95)	(627,415,595.96)	(297,564,501.95)	(627,415,595.96)
PROFIT FOR THE YEAR		1,058,583,601.09	905,610,872.61	1,165,844,965.91	2,502,218,000.05
OTHER COMPREHENSIVE INCOME (LOSS)					
ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS					
IN SUBSEQUENT PERIODS					
Currency translation differences		(52,160,418.77)	(366,098,360.60)	-	-
Share of other comprehensive income (loss) of associates		(25,654,911.59)	4,010,621.18	-	-
		(77,815,330.36)	(362,087,739.42)	-	-
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		3,957,924.21	(3,014,083.48)	-	-
		3,957,924.21	(3,548,117.08)	-	(534,033.60)
Other comprehensive loss for the year, net of taxes		(73,857,406.15)	(365,635,856.50)	-	(534,033.60)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		984,726,194.94	539,975,016.11	1,165,844,965.91	2,501,683,966.45
BASIC EARNINGS PER SHARE	6.25	0.87	0.74	0.96	2.06

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

(Signed) Santichai Osotpavapusit
(Mr. Santichai Osotpavapusit)
Senior Executive Vice President
Acting President
EGAT International Company Limited

(TRANSLATION)

9

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED

Unit : Baht

	Note	Paid-up share capital	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive income (loss)			
					Currency translation differences	Share of other comprehensive income (loss) of associates	Total other shareholders' equity	
Balance as at January 1, 2017		12,095,500,000.00	-	(607,012,834.37)	151,549,301.70	-	151,549,301.70	11,640,036,467.33
Changes in shareholders' equity for the year								
Additional paid-up share capital		101,900,000.00	-	-	-	-	-	101,900,000.00
Profit for the year		-	-	905,610,872.61	-	-	-	905,610,872.61
Other comprehensive income (loss)		-	-	(3,548,117.08)	(366,098,360.60)	4,010,621.18	(362,087,739.42)	(365,635,856.50)
Total comprehensive income for the year		-	-	902,062,755.53	(366,098,360.60)	4,010,621.18	(362,087,739.42)	539,975,016.11
Balance as at December 31, 2017		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
Balance as at January 1, 2018		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
Changes in shareholders' equity for the year								
Legal reserve	6.18	-	125,110,900.00	(125,110,900.00)	-	-	-	-
Profit for the year		-	-	1,058,583,601.09	-	-	-	1,058,583,601.09
Other comprehensive income (loss)		-	-	3,957,924.21	(52,160,418.77)	(25,654,911.59)	(77,815,330.36)	(73,857,406.15)
Total comprehensive income for the year		-	-	1,062,541,525.30	(52,160,418.77)	(25,654,911.59)	(77,815,330.36)	984,726,194.94
Balance as at December 31, 2018		12,197,400,000.00	125,110,900.00	1,232,480,546.46	(266,709,477.67)	(21,644,290.41)	(288,353,768.08)	13,266,637,678.38

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

(Signed) Santichai Osotpavapusit
(Mr. Santichai Osotpavapusit)
Senior Executive Vice President
Acting President
EGAT International Company Limited

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018
SEPARATE FINANCIAL STATEMENTS

Unit : Baht

	Note	Paid-up share capital	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at January 1, 2017		12,095,500,000.00	-	(175,494,677.70)	11,920,005,322.30
Changes in shareholders' equity for the year					
Additional paid-up share capital		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
Balance as at December 31, 2017		12,197,400,000.00	-	2,326,189,288.75	14,523,589,288.75
Balance as at January 1, 2018		12,197,400,000.00	-	2,326,189,288.75	14,523,589,288.75
Changes in shareholders' equity for the year					
Legal reserve	6.18	-	125,110,900.00	(125,110,900.00)	-
Total comprehensive income for the year		-	-	1,165,844,965.91	1,165,844,965.91
Balance as at December 31, 2018		12,197,400,000.00	125,110,900.00	3,366,923,354.66	15,689,434,254.66

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

(Signed) Santichai Osotpavaputit
(Mr. Santichai Osotpavaputit)
Senior Executive Vice President
Acting President
EGAT International Company Limited

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Notes	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income taxes		1,356,148,103.04	1,533,026,468.57	1,463,409,467.86	3,129,633,596.01
Adjustment to reconcile profit before income taxes to					
net cash provided by (used in) from operating activities					
Depreciation	6.8	850,488.59	400,240.80	850,488.59	400,240.80
Amortization	6.9	601,467.55	664,066.89	601,467.55	664,066.89
Employee benefit expense realized from estimates	6.15	1,097,131.00	1,740,302.00	1,097,131.00	1,740,302.00
Unrealized gain from foreign exchange rate		(6,384,039.72)	(282,246,898.27)	(6,384,039.72)	(282,246,898.27)
Share of profit from investment in associates		(1,379,028,786.04)	(1,338,013,219.71)	-	-
Dividend income from investment in associates		-	-	(1,486,290,150.86)	(2,934,620,347.15)
Interest income		(122,744,794.26)	(74,187,951.60)	(122,744,794.26)	(74,187,951.60)
Interest expenses under finance leases		143,027.46	-	143,027.46	-
Gain on disposal of assets		-	(3,032.86)	-	(3,032.86)
Loss from operating activities before change in operating assets and liabilities		(149,317,402.38)	(158,620,024.18)	(149,317,402.38)	(158,620,024.18)
Change in operating assets (increase) decrease					
Trade accounts receivable		1,000,841.00	812,921.75	1,000,841.00	812,921.75
Other accounts receivable		(2,208,797.59)	142,888.95	(2,208,797.59)	142,888.95
Bank deposits as collateral		329,777,285.01	611,926,310.44	329,777,285.01	611,926,310.44
Change in operating liabilities increase (decrease)					
Trade accounts payable		720,738.19	(64,874,309.60)	720,738.19	(64,874,309.60)
Other accounts payable		5,300,649.98	(4,115,002.96)	5,300,649.98	(4,115,002.96)
Other current liabilities		74,329.47	(257,020.46)	74,329.47	(257,020.46)
Actual payment on employee benefits	6.15	-	(1,263,764.00)	-	(1,263,764.00)
		334,665,046.06	542,372,024.12	334,665,046.06	542,372,024.12
Cash received from operating		185,347,643.68	383,751,999.94	185,347,643.68	383,751,999.94
Cash received from interest		46,243,100.97	5,842,754.31	46,243,100.97	5,842,754.31
Cash received from income taxes		535,610.51	763,997.23	535,610.51	763,997.23
Cash payment for income taxes		(372,553,543.57)	(581,209,130.86)	(372,553,543.57)	(581,209,130.86)
Net cash flows used in operating activities		(140,427,188.41)	(190,850,379.38)	(140,427,188.41)	(190,850,379.38)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash payment for investment in associates	6.7.2	(334,252,922.40)	(621,464,692.20)	(334,252,922.40)	(621,464,692.20)
Net cash received from (payment for) temporary investments		2,060,941,141.89	(2,011,321,374.12)	2,060,941,141.89	(2,011,321,374.12)
Dividend received from associates		1,586,707,749.88	2,920,843,387.06	1,586,707,749.88	2,920,843,387.06
Cash received from disposal of assets		-	10,600.00	-	10,600.00
Cash payment for purchase of equipment		(404,300.70)	(504,184.00)	(404,300.70)	(504,184.00)
Cash payment for purchase of intangible assets		(465,664.00)	-	(465,664.00)	-
Cash payment for project development costs - for collection		(20,488,671.08)	(21,014,703.12)	(20,488,671.08)	(21,014,703.12)
Cash received from interest		92,011,628.70	37,092,371.54	92,011,628.70	37,092,371.54
Net cash flows provided by investing activities		3,384,048,962.29	303,641,405.16	3,384,048,962.29	303,641,405.16

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

(Signed) Santichai Osotpavapusit
(Mr. Santichai Osotpavapusit)
Senior Executive Vice President
Acting President
EGAT International Company Limited

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Notes	Financial statements		Separate financial statements	
		in which the equity method is applied			
		2018	2017	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from additional paid-up share capital		-	101,900,000.00	-	101,900,000.00
Cash payment for finance lease liabilities		(590,510.04)	(159,750.00)	(590,510.04)	(159,750.00)
Cash payment for interest expenses under finance leases		(143,027.46)	-	(143,027.46)	-
Net cash flows provided by (used in) financing activities		(733,537.50)	101,740,250.00	(733,537.50)	101,740,250.00
Effect from foreign exchange rate in cash and cash equivalents		(121,529,624.50)	(916,505.98)	(121,529,624.50)	(916,505.98)
Net increase in cash and cash equivalents		3,121,358,611.88	213,614,769.80	3,121,358,611.88	213,614,769.80
Cash and cash equivalents at the beginning of the year		309,700,598.07	96,085,828.27	309,700,598.07	96,085,828.27
Cash and cash equivalents at the end of the year	6.1	3,431,059,209.95	309,700,598.07	3,431,059,209.95	309,700,598.07
Supplementary cash flow information					
Unpaid for outstanding payable on project development costs - for collection		772,758.58	2,409,419.00	772,758.58	2,409,419.00
Unpaid for outstanding payable on equipment		45,721.10	-	45,721.10	-
Increase in finance lease assets		2,680,370.20	-	2,680,370.20	-

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

(Signed) Santichai Osotpavapusit
(Mr. Santichai Osotpavapusit)
Senior Executive Vice President
Acting President
EGAT International Company Limited

EGAT INTERNATIONAL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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 Thailand Federation of Accounting Professions (“TFAC”) 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 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 statements' 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

Revenue from services is recognized when services are provided.

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 base 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. New and revised Thai Financial Reporting Standards (TFRSs) which are published in the Government Gazette are as follows:

Effective for accounting periods beginning on or after January 1, 2019

- Thai Accounting Standard No.1 (Revised 2018)	Presentation of Financial Statements
- Thai Accounting Standard No.2 (Revised 2018)	Inventories
- Thai Accounting Standard No.7 (Revised 2018)	Statement of Cash Flows
- Thai Accounting Standard No.8 (Revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
- Thai Accounting Standard No.10 (Revised 2018)	Events after the Reporting Period
- Thai Accounting Standard No.12 (Revised 2018)	Income Taxes
- Thai Accounting Standard No.16 (Revised 2018)	Property, Plant and Equipment
- Thai Accounting Standard No.17 (Revised 2018)	Leases
- Thai Accounting Standard No.19 (Revised 2018)	Employee Benefits
- Thai Accounting Standard No.20 (Revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
- Thai Accounting Standard No.21 (Revised 2018)	The Effects of Changes in Foreign Exchange Rates
- Thai Accounting Standard No.23 (Revised 2018)	Borrowing Costs
- Thai Accounting Standard No.24 (Revised 2018)	Related Party Disclosures
- Thai Accounting Standard No.26 (Revised 2018)	Accounting and Reporting by Retirement Benefit Plans
- Thai Accounting Standard No.27 (Revised 2018)	Separate Financial Statements

(TRANSLATION)

19

- Thai Accounting Standard No.28 (Revised 2018)	Investments in Associates and Joint Ventures
- Thai Accounting Standard No.29 (Revised 2018)	Financial Reporting in Hyperinflationary Economies
- Thai Accounting Standard No.33 (Revised 2018)	Earnings per Share
- Thai Accounting Standard No.34 (Revised 2018)	Interim Financial Reporting
- Thai Accounting Standard No.36 (Revised 2018)	Impairment of Assets
- Thai Accounting Standard No.37 (Revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
- Thai Accounting Standard No.38 (Revised 2018)	Intangible Assets
- Thai Accounting Standard No.40 (Revised 2018)	Investment Property
- Thai Accounting Standard No.41 (Revised 2018)	Agriculture
- Thai Financial Reporting Standard No.1	First-time Adoption of Thai Financial Reporting Standards
- Thai Financial Reporting Standard No.2 (Revised 2018)	Share-Based Payment
- Thai Financial Reporting Standard No.3 (Revised 2018)	Business Combinations
- Thai Financial Reporting Standard No.4 (Revised 2018)	Insurance Contracts
- Thai Financial Reporting Standard No.5 (Revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
- Thai Financial Reporting Standard No.6 (Revised 2018)	Exploration for and Evaluation of Mineral Resources
- Thai Financial Reporting Standard No.8 (Revised 2018)	Operating Segments
- Thai Financial Reporting Standard No.10 (Revised 2018)	Consolidated Financial Statements
- Thai Financial Reporting Standard No.11 (Revised 2018)	Joint Arrangements

- Thai Financial Reporting Standard No.12 (Revised 2018)	Disclosure of Interests in Other Entities
- Thai Financial Reporting Standard No.13 (Revised 2018)	Fair Value Measurement
- Thai Financial Reporting Standard No.15	Revenue from Contracts with Customers
- Thai Standing Interpretation No.10 (Revised 2018)	Government Assistance - No Specific Relation to Operating Activities
- Thai Standing Interpretation No.15 (Revised 2018)	Operating Leases - Incentives
- Thai Standing Interpretation No.25 (Revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- Thai Standing Interpretation No.27 (Revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- Thai Standing Interpretation No.29 (Revised 2018)	Service Concession Arrangements: Disclosures
- Thai Standing Interpretation No.32 (Revised 2018)	Intangible Assets - Web Site Costs
- Thai Financial Reporting Interpretation No.1 (Revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
- Thai Financial Reporting Interpretation No.4 (Revised 2018)	Determining whether an Arrangement contains a Lease
- Thai Financial Reporting Interpretation No.5 (Revised 2018)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- Thai Financial Reporting Interpretation No.7 (Revised 2018)	Applying the Restatement Approach under TAS 29 (Revised 2018) Financial Reporting in Hyperinflationary Economies
- Thai Financial Reporting Interpretation No.10 (Revised 2018)	Interim Financial Reporting and Impairment
- Thai Financial Reporting Interpretation No.12 (Revised 2018)	Service Concession Arrangements

- Thai Financial Reporting Interpretation No.14 (Revised 2018)	TAS 19 (Revised 2018) Employee benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Thai Financial Reporting Interpretation No.17 (Revised 2018)	Distributions of Non-cash Assets to Owners
- Thai Financial Reporting Interpretation No.20 (Revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
- Thai Financial Reporting Interpretation No.21 (Revised 2018)	Levies
- Thai Financial Reporting Interpretation No.22	Foreign Currency Transactions and Advance Consideration

The Management of EGATi has assessed and concluded that these new and revised Thai Financial Reporting Standards (TFRSs) are implemented without significant impact to the financial statements presented.

Effective for accounting periods beginning on or after January 1, 2020

- Thai Accounting Standard No.32	Financial Instruments: Presentation
- Thai Financial Reporting Standard No.7	Financial Instruments: Disclosures
- Thai Financial Reporting Standard No.9	Financial Instruments
- Thai Financial Reporting Interpretation No.16	Hedges of a Net Investment in a Foreign Operation
- Thai Financial Reporting Interpretation No.19	Extinguishing Financial Liabilities with Equity Instruments

The Management of EGATi is assessing the impact of first time adopting these Thai Financial Reporting Standards (TFRSs).

6. Additional information**6.1 Cash and cash equivalents comprise;**

	Unit : Baht	
	2018	2017
Current account	1,000.00	1,000.00
Saving accounts	60,010,892.52	51,694,435.59
Fixed deposits not more than 3 months	2,331,522,764.51	255,944,816.53
Fixed deposit receipts not more than 3 months	1,039,524,552.92	2,060,345.95
Total cash and cash equivalents	3,431,059,209.95	309,700,598.07

6.2 Temporary investments comprise;

	Unit : Baht	
	2018	2017
Fixed deposits more than 3 months		
but not more than 12 months	1,408,980,299.40	2,393,683,955.05
Fixed deposit receipts more than 3 months		
but not more than 12 months	1,104,594,194.00	2,052,857,142.13
Total temporary investments	2,513,574,493.40	4,446,541,097.18

6.3 Related party transactions

Related parties to EGATi for the year ended December 31, 2018 are as follows:

Name of entity	Country of incorporation/nationality	Nature of relationship
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:

		Unit : Baht	
		2018	2017
6.3.1	Trade accounts receivable - related party comprise;		
	Nam Ngiep 1 Power Company Limited	1,314,138.00	2,314,979.00
6.3.2	Other accounts receivable - related party comprise;		
	Managements and officers	418,383.54	200,759.53
	Nam Ngiep 1 Power Company Limited	59,685.00	101,030.00
	EGAT	14,085.00	-
6.3.3	Trade accounts payable - related party comprise;		
	EGAT	499,189.50	1,344,759.69
6.3.4	Other accounts payable - related party comprise;		
	Other accounts payable		
	Managements and officers	945,204.44	919,279.07
	EGAT	1,821,659.66	609,975.55
	Accrued expenses		
	EGAT	295,962.29	168,728.45
6.3.5	Accounts payable - related party comprise;		
	PT Adaro Indonesia	5,267,290,200.00	5,304,822,800.00
6.3.6	Revenues - related party comprise;		
	Nam Ngiep 1 Power Company Limited	6,403,329.94	9,648,508.48
	PT Adaro Indonesia	1,486,290,150.86	2,934,620,347.15
6.3.7	Cost of services - related party comprise;		
	EGAT	-	248,623.50

	Unit : Baht	
	2018	2017
6.3.8 Administrative expenses - related party comprise;		
Directors and managements remuneration	25,429,281.58	25,822,041.17
EGAT	10,319,076.78	6,645,113.19
6.4 Trade accounts receivable comprise;		
	Unit : Baht	
	2018	2017
Trade accounts receivable - related party (Note 6.3.1)		
Nam Ngiep 1 Power Company Limited		
Associate management services	1,314,138.00	2,314,979.00
Total trade accounts receivable	1,314,138.00	2,314,979.00
6.5 Other accounts receivable comprise;		
	Unit : Baht	
	2018	2017
Other accounts receivable - related party (Note 6.3.2)		
Managements and officers	418,383.54	200,759.53
Nam Ngiep 1 Power Company Limited	59,685.00	101,030.00
EGAT	14,085.00	-
	492,153.54	301,789.53
Other accounts receivable - co-developer	21,511,469.66	12,791,672.61
Other accounts receivable - other parties	-	6,930,605.26
Prepaid expenses	403,254.81	216,242.21
Accrued interest income	19,430,004.48	34,344,154.20
Total other accounts receivable	41,836,882.49	54,584,463.81

On June 10, 2016, EGATi signed Joint Development Agreement (JDA) between 3 parties to co-invest and jointly develop the Quang Tri 1 Thermal Power Project with the condition of project development cost responsibility, which allocate according to shareholding proportion as mentioned in Note 7.3

As at December 31, 2018, the balance of other accounts receivable - co-developer in portion of Electricity Generating Public Company Limited (EGGO) from 2016 to 2018 is amount of Baht 18.01 million due to being under consideration of the Revenue Department's Withholding Tax and Value Added Tax (VAT) issues.

6.6 Bank deposits as collateral

The bank deposits amount of USD 3.219 million or approximately Baht 103.94 million (using the buying rate as at December 28, 2018 at Baht 32.2848 per USD) is a guarantee to issue Standby letter of credit: SBLC for unpaid share capital to Nam Ngiep 1 Power Company Limited with BNP PARIBAS BANGKOK BRANCH, which expired on August 31, 2018. EGATi has entered into the Standby Letter of Credit (SBLC) for 1 year with MIZUHO BANK, LTD. BANGKOK BRANCH, which will be expired on August 31, 2019. The deposits will be decreased by the amount of money paid for the share capital as mentioned in Note 10.2

6.7 Investment in associates

6.7.1 Information of associated company

Company name	Country of incorporation/nationality	Business	Shareholding proportion	
			(percentage)	
Associate company			2018	2017
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.

6.7.2 Details of investment in associates

Unit : Baht

Company name	Shareholding proportion		Equity Method		Cost Method		Dividend	
	(percentage)							
	2018	2017	2018	2017	2018	2017	2018	2017
Associated Company								
Nam Ngiep 1 Power Company Limited	30	30	2,011,573,310.70	1,775,997,234.34	2,512,967,284.06	2,178,714,361.66	-	-
PT Adaro Indonesia	11.533	11.533	9,681,913,547.08	9,764,355,472.01	11,603,316,150.00	11,603,316,150.00	1,486,290,150.86	2,934,620,347.15
Total			11,693,486,857.78	11,540,352,706.35	14,116,283,434.06	13,782,030,511.66	1,486,290,150.86	2,934,620,347.15

Movements in investments in associates can be analyzed as follows;

Unit : Baht

	Equity Method		Cost Method	
	2018	2017	2018	2017
Beginning balance	11,540,352,706.35	12,880,596,964.49	13,782,030,511.66	13,160,565,819.46
Additional investments	334,252,922.40	621,464,692.20	334,252,922.40	621,464,692.20
Share of profit from investment in associates	1,379,028,786.04	1,338,013,219.71	-	-
Currency translation differences	(52,160,418.77)	(366,098,360.60)	-	-
Share of other comprehensive income (loss) of associates				
Changes in fair value of available-for-sale				
financial assets	(25,654,911.59)	4,010,621.18	-	-
Remeasurements of defined benefit plans	3,957,924.21	(3,014,083.48)	-	-
Dividend income	(1,486,290,150.86)	(2,934,620,347.15)	-	-
Ending balance	11,693,486,857.78	11,540,352,706.35	14,116,283,434.06	13,782,030,511.66

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 2018, the debt to equity ratio has reached to the defined point, therefore EGATi has increase investment in Associated Company in the amount of USD 10.368 million.

On February 15, 2018, Nam Ngiep 1 Power Company Limited has increased the registered capital from 2,500,000 shares to 2,627,600 shares which EGATi has increased 38,280 shares, total amount of shares 788,280.

EGATi has pledged all of shares in Nam Ngiep 1 Power Company Limited in amount of 788,280 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, 2018, EGATi has fully paid up share in amount of 753,162 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 conditions in Subscription Agreement as mentioned in Note 10.3.

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:

	Unit : Baht
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	<u>11,603,316,150.00</u>

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

According to International Financial Reporting Standard No.9 on Financial Instruments, as at December 31, 2018, Nam Ngiep 1 Power Company Limited entered into Interest Rate Swap Contract (IRS) and Cross Currency Swap Contract (CCS) as hedges of its exposure as follows;

1. Interest Rate Swap Contract incurred gains of USD 6.818 million (approximately Baht 210.49 million) which recognized in the other comprehensive income.

2. Cross Currency Swap Contract incurred gains of USD 0.151 million (approximately Baht 4.98 million) which recognized in the profit and loss (using the average rate during the period).

PT Adaro Indonesia entered into Fuel Hedging Contracts which are based on price on GAS OIL - 0.5 SINGAPORE - PLATTS ASIA - PACIFIC and Interest Rate Swap Contract as hedges of its exposure as follows;

1. Fuel Hedging Contract incurred losses of USD 0.327 million (approximately Baht 11.43 million) which recognized in the profit and loss, and losses of USD 9.756 million (approximately Baht 322.46 million) in the other comprehensive income.

2. Interest Rate Swap Contract incurred losses of USD 1.855 million (approximately Baht 59.71 million) which recognized in the other comprehensive income (using the average rate during the period).

In the preparation of the financial statements under the equity method, EGAT_i 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 Financial Reporting Standard No. 9 on Financial Instruments.

6.8 Equipment comprise;

	Unit : Baht		
	Furniture and office equipment	Vehicles	Total
Cost			
As at January 1, 2017	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
Additions during the year	450,021.80	2,680,370.20	3,130,392.00
As at December 31, 2018	5,656,045.65	2,680,370.20	8,336,415.85
Accumulated depreciation			
As at January 1, 2017	(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)
Depreciation for the year	(359,944.14)	(490,544.45)	(850,488.59)
As at December 31, 2018	(4,455,191.21)	(490,544.45)	(4,945,735.66)
Net book value			
As at December 31, 2017	1,110,776.78	-	1,110,776.78
As at December 31, 2018	1,200,854.44	2,189,825.75	3,390,680.19

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

	Unit : Baht		
	Furniture and Office equipment	Vehicles	Total
As at December 31, 2018			
Cost	-	2,680,370.20	2,680,370.20
Accumalated depreciation	-	(490,544.45)	(490,544.45)
Net book value	-	2,189,825.75	2,189,825.75
As at December 31, 2017			
Cost	319,500.00	-	319,500.00
Accumalated depreciation	(64,771.11)	-	(64,771.11)
Net book value	254,728.89	-	254,728.89

6.9 Intangible assets comprise;

	Unit : Baht	
	Computer software	Total
Cost		
As at January 1, 2017	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
Additions during the year	465,664.00	465,664.00
As at December 31, 2018	3,952,964.07	3,952,964.07
Accumulated amortization		
As at January 1, 2017	(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)
Amortization for the year	(601,467.55)	(601,467.55)
As at December 31, 2018	(2,810,954.94)	(2,810,954.94)
Net book value		
As at December 31, 2017	1,277,812.68	1,277,812.68
As at December 31, 2018	1,142,009.13	1,142,009.13

6.10 Project development costs - for collection

As at December 31, 2018, EGATi has recognized project development costs - for collection in the amount of Baht 486.73 million of the Upper Thanlwin (Mong Ton) Hydropower Project and Quang Tri 1 Thermal Power Project. These costs are occurred after the principle of project investment was approved by the Minister of Energy on November 21, 2014 and May 16, 2016 respectively and agreed by Project Management Committee to reimburse after establishment of the project company as follows:

(TRANSLATION)

31

	Unit : Baht		
	Upper Thanlwin (Mong Ton)	Quang Tri 1 Thermal Power	Total
	Hydropower Project	Plant Project	
Balance at January 1,2017	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
Additions during the year	11,350,670.37	7,501,339.39	18,852,009.76
Loss on foreign exchange rate	(28,228,237.41)	(102,964.00)	(28,331,201.41)
Balance at December 31,2018	466,581,058.41	20,149,521.25	486,730,579.66

6.11 Deferred income taxes

6.11.1 Deferred tax assets and liabilities

	Unit : Baht	
	2018	2017
Net deferred tax assets	1,057,661.83	808,967.19

6.11.2 Movements in deferred tax assets and liabilities

	Unit : Baht		
	2017	Profit or Loss	2018
Deferred tax assets :			
Employee benefits	850,473.20	219,426.20	1,069,899.40
Finance lease liabilities	-	11,956.88	11,956.88
Total	850,473.20	231,383.08	1,081,856.28
Deferred tax liabilities :			
Finance lease liabilities	18,995.78	(18,995.78)	-
Equipment	22,510.23	1,684.22	24,194.45
Total	41,506.01	(17,311.56)	24,194.45

6.12 Trade accounts payable comprise;

	Unit : Baht	
	2018	2017
Trade accounts payable - related party (Note 6.3.3)		
EGAT		
Administrative service expenses	499,189.50	1,344,759.69
	499,189.50	1,344,759.69
Trade accounts payable - non-related party		
Consultant fees	2,019,447.32	87,602.47
	2,019,447.32	87,602.47
Total trade accounts payable	2,518,636.82	1,432,362.16

6.13 Other accounts payable comprise;

	Unit : Baht	
	2018	2017
Other accounts payable - related party, entity (Note 6.3.4)		
EGAT		
Airfares	995,084.67	584,655.00
Car rental for executives	43,014.00	-
Travelling expenses - EGAT's employees	29,791.68	23,238.90
Other expenses	753,769.31	2,081.65
	1,821,659.66	609,975.55
Other accounts payable - related party, individuals (Note 6.3.4)	945,204.44	919,279.07
Other accounts payable - non-related party	1,386,722.32	1,338,307.92

	Unit : Baht	
	2018	2017
Accrued expenses - related party (Note 6.3.4)		
EGAT		
Administrative service expenses	159,243.07	-
Survey fees - Upper Thanlwin (Mong Ton) Hydropower Project	-	58,835.45
Travelling expenses	43,435.00	23,865.00
Car rental for executives	-	86,028.00
Other expenses	93,284.22	-
	295,962.29	168,728.45
Other accrued expenses comprise;		
Project development expenses	1,532,279.23	5,974,019.74
Employee expenses	22,336,530.37	21,762,444.93
Other service fees	8,215,863.44	2,632,032.51
Other expenses	1,597,415.80	1,393,142.82
	33,682,088.84	31,761,640.00
Total other accounts payable	38,131,637.55	34,797,930.99

6.14 Other current liabilities comprise;

	Unit : Baht	
	2018	2017
Deposit received and security guarantee	548,192.10	450,245.00
Withholding tax	514,419.11	433,475.19
Withholding tax payable to Lao PDR	-	104,561.55
Total other current liabilities	1,062,611.21	988,281.74

6.15 Non-current provisions for employee benefits

As at December 31, 2018, Non-current provisions for employee benefits as shown in statement of financial position comprise of;

	Unit : Baht	
	2018	2017
Beginning balance	4,252,366.00	3,108,286.00
Current service costs	969,560.00	843,472.00
Interest costs	127,571.00	139,557.00
Actuarial losses	-	667,542.00
Past service costs	-	757,273.00
Actual payment	-	(1,263,764.00)
Ending balance	5,349,497.00	4,252,366.00

Expenses included in administrative expenses for the year ended December 31, 2018 are as follows:

	Unit : Baht	
	2018	2017
Current service costs	969,560.00	843,472.00
Interest costs	127,571.00	139,557.00
Past service costs	-	757,273.00
Total	1,097,131.00	1,740,302.00

Actuarial losses from post-employment benefit obligation recognized in the statements of comprehensive income for the year ended December 31, 2018 are as follows:

	Unit : Baht	
	2018	2017
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
Total	-	667,542.00

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, 2018 are as follow:

Unit : Baht

	Increase (decrease) in present value of the obligation	
	Increase 1%	Decrease 1%
Discount rate	(728,385.00)	908,972.00
Salary increasing rate	864,939.00	(712,012.00)

6.16 Finance lease liabilities

Unit : Baht

	2018	2017
Finance lease liabilities	2,555,962.50	159,750.00
Less : Deferred interest expenses	(306,352.34)	-
	2,249,610.16	159,750.00
Less : Current portion	(498,979.71)	(159,750.00)
Finance lease liabilities - net of current portion	1,750,630.45	-

Unit : Baht

	Finance lease liabilities		Deferred interest expenses		Net	
	2018	2017	2018	2017	2018	2017
Within 1 year	625,950.00	159,750.00	(126,970.29)	-	498,979.71	159,750.00
1-5 years	1,930,012.50	-	(179,382.05)	-	1,750,630.45	-
Total	2,555,962.50	159,750.00	(306,352.34)	-	2,249,610.16	159,750.00

6.17 Share capital

As at December 31, 2018 and 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.

6.18 Legal reserve

As at December 31, 2018, EGATi has legal reserve in the amount of Baht 125.11 million according to EGATi's regulation and law, EGATi is required to set aside as a legal reserve at least 5% of its net profit, less any accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

6.19 Revenue from services

Revenue from services for the year ended December 31, 2018 are as follows:

	Unit : Baht	
	2018	2017
Revenue from services - related party (Note 6.3.6)		
Nam Ngiep 1 Power Company Limited		
Management services agreement	6,403,329.94	9,648,508.48
Total revenue from services	6,403,329.94	9,648,508.48

6.20 Other income - others

Other income - others for the year ended December 31, 2018 are as follows:

	Unit : Baht	
	2018	2017
Penalty	16,559.82	26,974.04
Others	221,921.73	302,909.26
Total other income - others	238,481.55	329,883.30

6.21 Cost of services

Cost of services for the year ended December 31, 2018 are as follows:

	Unit : Baht	
	2018	2017
Cost of services - related party (Note 6.3.7)		
EGAT		
Key management service expenses	-	248,623.50
	-	248,623.50
Associate management service expenses	4,085,799.41	6,289,076.36
Total cost of services	4,085,799.41	6,537,699.86

6.22 Administrative expenses

Administrative expenses for the year ended December 31, 2018 are as follows:

	Unit : Baht	
	2018	2017
Administrative expenses - related party (Note 6.3.8)		
EGAT		
Administrative service expenses	6,099,624.23	5,810,099.74
Car rental for executives	516,168.00	516,168.00
Survey fees - Upper Thanlwin (Mong Ton) Hydropower Project	189,404.55	318,845.45
Consultant fees - Quang Tri 1 Thermal Power Project	3,513,880.00	-
	10,319,076.78	6,645,113.19
Employee expenses	88,521,936.26	73,577,886.88
Project development expenses	12,714,510.53	6,361,600.94
Associate administrative expenses	3,058,132.15	3,231,434.64
Other service fees	14,532,614.76	15,727,872.00
Committee travelling expenses	4,485,550.07	4,492,243.87
Others	26,973,427.54	16,487,924.73
Total administrative expenses	160,605,248.09	126,524,076.25

Project development expenses for the year ended December 31, 2018 in the amount of Baht 12.71 million; mostly are consultant fees amounted of Baht 6.04 million and travelling expenses amounted of Baht 5.57 million.

6.23 Expenses by nature

Expenses by nature for the year ended December 31, 2018 are as follows:

	Unit : Baht	
	2018	2017
Employee expenses	89,038,104.26	74,094,054.88
Outsourcing costs	21,425,236.94	23,957,673.81
Project development expenses	16,417,795.08	6,680,446.39
Depreciation and amortization	1,451,956.14	1,064,307.69
Other expenses	36,500,982.54	27,265,293.34
Total expenses by nature	164,834,074.96	133,061,776.11

6.24 Income tax expenses

	Unit : Baht	
	2018	2017
Current income tax	297,813,196.59	628,091,054.75
Deferred income tax	(248,694.64)	(675,458.79)
Total income tax expenses	297,564,501.95	627,415,595.96

(TRANSLATION)

40

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	
	2018	2017
Profit before income taxes	1,463,409,467.86	3,129,633,596.01
Tax calculated at a tax rate of	20%	20%
The result of the accounting profit		
multiplied by the income tax rate	292,681,893.57	625,926,719.20
Tax effect of :		
Nondeductible expenses and income		
and expenses recognised in the different		
periods between accounting and tax	5,219,746.47	1,714,091.46
Additional expenses deduction allowed	(337,138.09)	(225,214.70)
Income tax expenses	297,564,501.95	627,415,595.96

The average effective tax rate for EGATi in 2018 and 2017 were 20.33% and 20.05%, respectively.

6.25 Basic earnings per share

Basic earnings per share for the year ended December 31, 2018 are as follows:

	Unit : Baht			
	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2018	2017	2018	2017
Net profit attributable to				
shareholders' equity	1,058,583,601.09	905,610,872.61	1,165,844,965.91	2,502,218,000.05
Weighted average number of				
the ordinary shares (unit:shares)	1,219,740,000.00	1,216,529,452.05	1,219,740,000.00	1,216,529,452.05
Basic earnings per share	0.87	0.74	0.96	2.06

7. Memorandum of Understanding (MOU) and Memorandum of Agreement (MOA)

7.1 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 from EGAT to EGATi.

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 for 2 years from the effective date. Then, on December 24, 2010, the 4th MOU extension, with some modifications in 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.

7.2 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.

7.3 MOU for Cooperation in the Development of Quang Tri 1 Thermal Power Project, 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 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 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 which had an impact on Quang Tri 1 Thermal Power project, ECA's criteria for financing the project with capacity larger than 500 MW shall use the Ultra-Supercritical (USC) technology, which differ from the past criteria that allowed to use 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 conform to 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 Quang Tri 1 Thermal Power Project 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 Quang Tri 1 Thermal Power Project in 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.

7.4 MOU for Cooperation in the Development of Hydro Power Project Nam Ngum 3

Hydro Power Project Nam Ngum 3 is owned by Electricite du Laos (EDL). Later, in July 2017, EDL has granted the development right to Chaleun Sekong Group Co., Ltd. (CSG) for cooperation in the development, investment and seeking for Strategic Investor.

On September 22, 2017, EGATi and CSG signed MOU to cooperate with the development of Hydro Power Project Nam Ngum 3 and later, the MOU was amended in order to extend the exclusive period on June 29, 2018 and December 14, 2018 accordingly.

Currently, the project is in the document preparation and negotiation process. In addition, the construction progress is beyond 50% progress.

8. Contingent assets

Contingent assets are project development costs incurred prior to approval of the investment project principles from the Ministry of Energy of Thailand.

8.1 Receipt of the payment of engineering feasibility and EIA studies for the amount of USD 4.52 million, or approximately Baht 145.93 million (using the buying rate as at December 28, 2018 at Baht 32.2848 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 49.52 million, or approximately USD 1.53 million as at December 31, 2018.

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.

8.2 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 0.95 million as at December 31, 2018, 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 7.2.

8.3 Receipt of the payment for the project development, Quang Tri 1 Thermal Power Project, 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, 2018, the payment for the project development amount of Baht 77.01 million, or approximately USD 2.39 million and the premium fees from co-developer will be reimbursed after the Project Company has been established.

9. Contingent liabilities

As at December 31, 2018, 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.

10. Commitments

As at December 31, 2018, EGATi had commitments as follows:

10.1 Purchase Agreements

EGATi has five significant purchase agreements with the remaining contract amount approximately Baht 218.45 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 92.52 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 3.861 million, or approximately Baht 125.93 million (using the selling rate as at December 28, 2018 at Baht 32.6148 per USD).

10.2 Letter of Credit

Standby Letter of Credit (SBLC) to guarantee EGATi's equity in Nam Ngiep 1 Power Company Limited to lender with BNP PARIBAS BANGKOK BRANCH expired on August 31, 2018. On September 1, 2018 EGATi entered into the SBLC for 1 year with MIZUHO BANK, LTD. BANGKOK BRANCH (expired on August 31, 2019) in the amount of USD 28.548 million. As at December 31, 2018, EGATi's bank deposits account in the amount of USD 3.219 million was secured as collateral as mentioned in Note 6.6.

10.3 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 6.7.

10.4 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.

11. Events during the accounting period

On August 13, 2018, EGATi was noticed from Nam Ngiep 1 Power Company Limited about movement and inclination of the main powerhouse which caused by the closing of fissures under the foundation of the dam and power plant. As a result, the commercial operation date (COD) will be delayed from February 12, 2019 to the end of August 2019.

12. Events after the reporting period

On February 7, 2018, EGATi paid in the amount of USD 3.512 million, or approximately Baht 110.39 million for share capital to Nam Ngiep 1 Power Company Limited according to the shareholding of 30 percent.

13. Authorization of financial statements

The issuance of these financial statements has been authorized by EGAT's authorized directors on March 8, 2019.

(Signed) Santichai Osotpavapusit
(Mr. Santichai Osotpavapusit)
Senior Executive Vice President
Acting President
EGAT International Company Limited