

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

Unit : Baht

	Notes	Financial statements			
		in which the equity method is applied		Separate Financial Statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
ASSETS					
Current assets					
Cash and cash equivalents	6.1	2,212,152,527.49	309,700,598.07	2,212,152,527.49	309,700,598.07
Temporary investments	6.2	3,937,031,272.69	4,446,541,097.18	3,937,031,272.69	4,446,541,097.18
Trade accounts receivable	6.4	1,812,630.28	2,314,979.00	1,812,630.28	2,314,979.00
Other accounts receivable	6.5	34,468,224.31	54,584,463.81	34,468,224.31	54,584,463.81
Accrued dividend income from associates		-	380,942,435.47	-	380,942,435.47
Bank deposits as collateral	6.6	236,477,319.63	440,867,679.87	236,477,319.63	440,867,679.87
Prepaid income tax		535,610.51	535,610.51	535,610.51	535,610.51
Total current assets		6,422,477,584.91	5,635,486,863.91	6,422,477,584.91	5,635,486,863.91
Non-current assets					
Investment in associates	6.7.2	11,269,014,479.10	11,540,352,706.35	13,986,322,813.06	13,782,030,511.66
Equipment	6.8	3,384,700.93	1,110,776.78	3,384,700.93	1,110,776.78
Intangible assets	6.9	977,057.06	1,277,812.68	977,057.06	1,277,812.68
Project development costs - for collection	6.10	508,214,351.84	496,209,771.31	508,214,351.84	496,209,771.31
Deferred tax assets	6.11	913,240.08	808,967.19	913,240.08	808,967.19
Total non-current assets		11,782,503,829.01	12,039,760,034.31	14,499,812,162.97	14,281,437,839.62
TOTAL ASSETS		18,204,981,413.92	17,675,246,898.22	20,922,289,747.88	19,916,924,703.53

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

(Signed) Adisak Suriyavanagul

(Mr. Adisak Suriyavanagul)

Senior Executive Vice President

Acting President

(TRANSLATION)

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EGAT INTERNATIONAL COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

Unit : Baht

	Notes	Financial statements		Separate Financial Statements	
		in which the equity method is applied			
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable	6.12	3,677,494.29	1,432,362.16	3,677,494.29	1,432,362.16
Other accounts payable	6.13	24,221,484.91	34,797,930.99	24,221,484.91	34,797,930.99
Current portion of finance lease liabilities	6.16	563,482.21	159,750.00	563,482.21	159,750.00
Income tax payable		65,908,987.15	46,881,923.89	65,908,987.15	46,881,923.89
Other current liabilities	6.14	985,894.57	988,281.74	985,894.57	988,281.74
Total current liabilities		95,357,343.13	84,260,248.78	95,357,343.13	84,260,248.78
Non-current liabilities					
Finance lease liabilities	6.16	2,004,023.53	-	2,004,023.53	-
Non-current provisions for employee benefits	6.15	4,800,931.50	4,252,366.00	4,800,931.50	4,252,366.00
Accounts payable - related party	6.3.5	5,382,439,700.00	5,304,822,800.00	5,382,439,700.00	5,304,822,800.00
Total non-current liabilities		5,389,244,655.03	5,309,075,166.00	5,389,244,655.03	5,309,075,166.00
TOTAL LIABILITIES		5,484,601,998.16	5,393,335,414.78	5,484,601,998.16	5,393,335,414.78
Shareholders' equity					
Share capital	6.17				
Authorized share capital					
1,219,740,000 ordinary shares - Baht 10 per share (2017 : 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 (2017 : 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		594,696,598.71	295,049,921.16	3,115,176,849.72	2,326,189,288.75
Other components of shareholders' equity		(196,828,082.95)	(210,538,437.72)	-	-
TOTAL SHAREHOLDERS' EQUITY		12,720,379,415.76	12,281,911,483.44	15,437,687,749.72	14,523,589,288.75
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		18,204,981,413.92	17,675,246,898.22	20,922,289,747.88	19,916,924,703.53

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

(Signed) Adisak Suriyavanagul

(Mr. Adisak Suriyavanagul)

Senior Executive Vice President

Acting President

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018

Unit : Baht

	Notes	Financial statements		Separate financial statements	
		in which the equity method is		2018	2017
		2018	2017 (Restated)	2018	2017
REVENUES					
Revenue from services	6.19	1,812,630.28	2,383,928.95	1,812,630.28	2,383,928.95
Other income					
Interest income		31,318,050.80	21,499,927.71	31,318,050.80	21,499,927.71
Gain on foreign exchange rate		-	31,429,079.06	-	31,429,079.06
Others		2,629.06	277,949.81	2,629.06	277,949.81
Total revenues		33,133,310.14	55,590,885.53	33,133,310.14	55,590,885.53
EXPENSES					
Cost of services	6.20	1,104,567.23	1,639,786.01	1,104,567.23	1,639,786.01
Administrative expenses	6.21	34,885,847.26	25,593,493.62	34,885,847.26	25,593,493.62
Other expenses					
Loss on foreign exchange rate		74,971,733.54	-	74,971,733.54	-
Finance costs		40,241.28	-	40,241.28	-
Total expenses	6.22	111,002,389.31	27,233,279.63	111,002,389.31	27,233,279.63
Profit (Loss) before share of profit (loss) from investment in associates		(77,869,079.17)	28,357,605.90	(77,869,079.17)	28,357,605.90
Share of profit from investment in associates		455,632,983.85	423,576,488.89	-	-
PROFIT (LOSS) BEFORE INCOME TAXES		377,763,904.68	451,934,094.79	(77,869,079.17)	28,357,605.90
INCOME TAX (EXPENSES) INCOME		14,511,087.70	(5,704,423.67)	14,511,087.70	(5,704,423.67)
PROFIT (LOSS) FOR THE PERIOD		392,274,992.38	446,229,671.12	(63,357,991.47)	22,653,182.23
OTHER COMPREHENSIVE INCOME (LOSS)					
ITEM THAT MAY BE RECLASSIFIED TO THE PROFIT OR LOSS IN SUBSEQUENT PERIODS					
Currency translation differences		209,501,385.39	(47,131,297.45)	-	-
Share of other comprehensive income of associates		(2,016,376.91)	-	-	-
Other comprehensive income (loss) for the period,net of taxes		207,485,008.48	(47,131,297.45)	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		599,760,000.86	399,098,373.67	(63,357,991.47)	22,653,182.23
BASIC EARNINGS (LOSS) PER SHARE	6.23	0.32	0.37	(0.05)	0.02

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

(Signed) Adisak Suriyavanagul

(Mr. Adisak Suriyavanagul)

Senior Executive Vice President

Acting President

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

Unit : Baht

	Notes	Financial statements			
		in which the equity method is		Separate financial statements	
		2018	2017	2018	2017
(Restated)					
REVENUES					
Dividend income from associates	6.7.2	-	-	1,155,958,791.49	2,510,897,954.09
Revenue from services	6.19	3,708,462.28	4,820,570.95	3,708,462.28	4,820,570.95
Other income					
Interest income		51,049,794.57	34,269,486.63	51,049,794.57	34,269,486.63
Gain on foreign exchange rate		10,199,371.21	145,262,894.87	10,199,371.21	145,262,894.87
Others		4,048.66	297,672.78	4,048.66	297,672.78
Total revenues		64,961,676.72	184,650,625.23	1,220,920,468.21	2,695,548,579.32
EXPENSES					
Cost of services	6.20	2,479,521.04	3,450,787.30	2,479,521.04	3,450,787.30
Administrative expenses	6.21	72,916,651.28	52,060,112.40	72,916,651.28	52,060,112.40
Finance costs		68,073.13	-	68,073.13	-
Total expenses	6.22	75,464,245.45	55,510,899.70	75,464,245.45	55,510,899.70
Profit (loss) before share of profit (loss) from investment in associates		(10,502,568.73)	129,139,725.53	1,145,456,222.76	2,640,037,679.62
Share of profit from investment in associates	6.7.2	666,617,908.07	678,210,790.54	-	-
PROFIT BEFORE INCOME TAXES		656,115,339.34	807,350,516.07	1,145,456,222.76	2,640,037,679.62
INCOME TAXES		(231,357,761.79)	(528,056,702.36)	(231,357,761.79)	(528,056,702.36)
PROFIT FOR THE PERIOD		424,757,577.55	279,293,813.71	914,098,460.97	2,111,980,977.26
OTHER COMPREHENSIVE INCOME (LOSS)					
ITEM THAT MAY BE RECLASSIFIED TO THE PROFIT OR LOSS IN SUBSEQUENT PERIOD					
Currency translation differences		39,647,021.17	(212,149,607.80)	-	-
Share of other comprehensive income of associates		(25,936,666.40)	-	-	-
Other comprehensive income (loss) for the period,net of taxes		13,710,354.77	(212,149,607.80)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		438,467,932.32	67,144,205.91	914,098,460.97	2,111,980,977.26
BASIC EARNINGS (LOSS) PER SHARE	6.23	0.35	0.23	0.75	1.74

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

(Signed) Adisak Suriyavanagul

(Mr. Adisak Suriyavanagul)

Senior Executive Vice President

Acting President

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED

Notes	Paid-up share capital	Retained earnings (Deficit)		Other components of shareholders' equity			Total Shareholders' equity
		Appropriated	Unappropriated	shareholders' equity		Total other components of shareholders' equity	
				Other comprehensive income (loss)	Share of other comprehensive income of associates		
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 period							
Additional paid-up share capital	101,900,000.00	-	-	-	-	-	101,900,000.00
Profit for the period	-	-	279,293,813.71	-	-	-	279,293,813.71
Other comprehensive loss	-	-	-	(212,149,607.80)	-	(212,149,607.80)	(212,149,607.80)
Total comprehensive income (loss) for the period	-	-	279,293,813.71	(212,149,607.80)	-	(212,149,607.80)	67,144,205.91
Balance as at June 30, 2017 (after adjustments)	12,197,400,000.00	-	(327,719,020.66)	(60,600,306.10)	-	(60,600,306.10)	11,809,080,673.24
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 period							
Legal reserve	-	125,110,900.00	(125,110,900.00)	-	-	-	-
Profit for the period	-	-	424,757,577.55	-	-	-	424,757,577.55
Other comprehensive income (loss)	-	-	-	39,647,021.17	(25,936,666.40)	13,710,354.77	13,710,354.77
Total comprehensive income (loss) for the period	-	-	424,757,577.55	39,647,021.17	(25,936,666.40)	13,710,354.77	438,467,932.32
Balance as at June 30, 2018	12,197,400,000.00	125,110,900.00	594,696,598.71	(174,902,037.73)	(21,926,045.22)	(196,828,082.95)	12,720,379,415.76

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

(Signed) Adisak Suriyavanagul
(Mr. Adisak Suriyavanagul)
Senior Executive Vice President
Acting President

Unit : Baht

EGAT INTERNATIONAL COMPANY LIMITED
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
 SEPARATE FINANCIAL STATEMENTS

Unit : Baht

	Notes	Paid-up share capital	Retained earnings (Deficit)		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 period					
Additional paid-up share capital		101,900,000.00	-	-	101,900,000.00
Total comprehensive income for the period		-	-	2,111,980,977.26	2,111,980,977.26
Balance as at June 30, 2017		<u>12,197,400,000.00</u>	<u>-</u>	<u>1,936,486,299.56</u>	<u>14,133,886,299.56</u>
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 period					
Legal reserve	6.18	-	125,110,900.00	(125,110,900.00)	-
Total comprehensive income for the period		-	-	914,098,460.97	914,098,460.97
Balance as at June 30, 2018		<u>12,197,400,000.00</u>	<u>125,110,900.00</u>	<u>3,115,176,849.72</u>	<u>15,437,687,749.72</u>

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

(Signed) Adisak Suriyavanagul

(Mr. Adisak Suriyavanagul)

Senior Executive Vice President

Acting President

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

Unit : Baht

	Notes	Financial statements		Separate financial statements	
		in which the equity method is applied			
		2018	2017 (Restated)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income taxes		656,115,339.34	807,350,516.07	1,145,456,222.76	2,640,037,679.62
Adjustment to reconcile profit before income taxes to net cash provided by (used in)					
from operating activities					
Depreciation		406,446.05	230,593.32	406,446.05	230,593.32
Amortization		300,755.62	330,445.87	300,755.62	330,445.87
Employee expense realized from estimates	6.15	548,565.50	437,793.50	548,565.50	437,793.50
Unrealized gain from foreign exchange		(5,496,848.33)	(175,787,188.85)	(5,496,848.33)	(175,787,188.85)
Share of profit from investment in associates		(666,617,908.07)	(678,210,790.54)	-	-
Dividend income from investment in associates		-	-	(1,155,958,791.49)	(2,510,897,954.09)
Interest income		(51,049,794.57)	(34,269,486.63)	(51,049,794.57)	(34,269,486.63)
Interest expenses under finance lease		68,073.13	-	68,073.13	-
Loss from operating activities before change in operating assets and liabilities		(65,725,371.33)	(79,918,117.26)	(65,725,371.33)	(79,918,117.26)
Change in operating assets (increase) decrease					
Trade accounts receivable		502,348.72	727,060.75	502,348.72	727,060.75
Other accounts receivable		1,204,251.98	3,903,245.37	1,204,251.98	3,903,245.37
Bank deposits as collateral		201,510,130.86	291,534,460.77	201,510,130.86	291,534,460.77
Change in operating liabilities increase (decrease)					
Trade accounts payable		1,545,183.08	(65,325,040.70)	1,545,183.08	(65,325,040.70)
Other accounts payable		(15,545,267.12)	(22,132,992.92)	(15,545,267.12)	(22,132,992.92)
Other current liabilities		(2,387.17)	394,751.69	(2,387.17)	394,751.69
		189,214,260.35	209,101,484.96	189,214,260.35	209,101,484.96
Cash provided by operating activities		123,488,889.02	129,183,367.70	123,488,889.02	129,183,367.70
Cash received from interest		15,402,299.13	1,790,113.71	15,402,299.13	1,790,113.71
Cash payment on income tax		(212,434,971.42)	(241,157,944.32)	(212,434,971.42)	(241,157,944.32)
Net cash used in operating activities		(73,543,783.27)	(110,184,462.91)	(73,543,783.27)	(110,184,462.91)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash payment on investment in associates		(204,292,301.40)	(295,385,379.00)	(204,292,301.40)	(295,385,379.00)
Cash received (payment) on temporary investments		678,396,391.00	(2,320,972,489.44)	678,396,391.00	(2,320,972,489.44)
Cash received from dividend from investment in associates		1,534,594,903.95	2,875,757,106.46	1,534,594,903.95	2,875,757,106.46
Cash payment on project development cost - for collection		(6,914,442.84)	(9,251,425.82)	(6,914,442.84)	(9,251,425.82)
Cash received from interest		55,623,390.23	9,470,536.64	55,623,390.23	9,470,536.64
Net cash provided by investing activities		2,057,407,940.94	259,618,348.84	2,057,407,940.94	259,618,348.84

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

(Signed) Adisak Suriyavanagul

(Mr. Adisak Suriyavanagul)

Senior Executive Vice President

Acting President

EGAT INTERNATIONAL COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

Unit : Baht

	Notes	Financial statements		Separate financial statements	
		in which the equity method is applied			
		2018	2017	2018	2017
			(Restated)		
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from additional paid-up share capital		-	101,900,000.00	-	101,900,000.00
Cash payment on finance lease liabilities		(272,614.46)	(79,875.00)	(272,614.46)	(79,875.00)
Cash payment on interest expenses under finance lease		(68,073.13)	-	(68,073.13)	-
Net cash provided by (used in) financing activities		(340,687.59)	101,820,125.00	(340,687.59)	101,820,125.00
Effect from foreign exchange rate in cash and cash equivalents		(81,071,540.66)	(3,518,950.77)	(81,071,540.66)	(3,518,950.77)
Net increase in cash and cash equivalents		1,902,451,929.42	247,735,060.16	1,902,451,929.42	247,735,060.16
Cash and cash equivalents at the beginning of the period		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 period		2,212,152,527.49	343,820,888.43	2,212,152,527.49	343,820,888.43
Supplemental cash flow information					
Unpaid for outstanding payable on project development costs - for collection		8,077,799.24	58,763.57	8,077,799.24	58,763.57
Unpaid for outstanding payable on finance lease assets		2,680,370.20	-	2,680,370.20	-

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

(Signed) Adisak Suriyavanagul

(Mr. Adisak Suriyavanagul)

Senior Executive Vice President

Acting President

EGAT INTERNATIONAL COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018 (Unaudited but Reviewed)

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 interim financial statements preparation

2.1 The objectives of interim financial statements

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2017. They basically focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2017.

2.2 Basis of interim financial statements preparation

These interim financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRSs) under the Accounting Profession Act, B.E. 2547 (2004), including interpretations and guidelines promulgated by the Federation of Accounting Profession (FAP). These interim financial statements, including Statements of Financial Position, Statements of Comprehensive Income, Statement of Changes in Shareholders’ Equity, Statement of Cash Flows and Notes to the Interim Financial Statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) “Interim Financial Reporting”.

3. Significant accounting policies

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2017 which is prepared in accordance with Thai Financial Reporting Standards.

4. Revised Thai Financial Reporting Standards (TFRSs) which is published in the Government Gazette is as follows:

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

- Thai Financial Reporting Standards No.15 Revenue from Contracts with Customers

The management is assessing the impacts of adopting the revised Thai Financial Reporting Standards.

5. The effect on the financial statements of adjustments on financial statements of EGATi

EGATi's financial statement which the equity method is applied has been restated due to an adjustment is related to accounting for share of profit from measuring the fair value of the investment in associates. The effect of the statement of comprehensive income, statements of change in shareholders' equity are as follows;

Unit : Baht			
Financial statements			
in which the equity method is applied			
	Before restated	Restated	After restated
STATEMENT OF COMPREHENSIVE INCOME			
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2017			
<i>Share of profit from investment in associates</i>	466,888,137.35	(43,311,648.46)	423,576,488.89
<i>Profit for the period</i>	489,541,319.58	(43,311,648.46)	446,229,671.12
STATEMENT OF COMPREHENSIVE INCOME			
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017			
<i>Share of profit from investment in associates</i>	762,799,534.98	(84,588,744.44)	678,210,790.54
<i>Profit for the period</i>	363,882,558.15	(84,588,744.44)	279,293,813.71
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY			
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017			
<i>Retained earnings (Deficit)</i>	363,882,558.15	(84,588,744.44)	279,293,813.71
<i>Total shareholders' equity</i>	11,893,669,417.68	(84,588,744.44)	11,809,080,673.24

6. Additional information

6.1 Cash and cash equivalents comprise;

	Unit : Baht	
	30 Jun 18	31 Dec 17
Current account	1,000.00	1,000.00
Saving account	39,654,094.29	51,694,435.59
Fixed deposit not more than 3 months	2,172,497,433.20	255,944,816.53
Fixed deposit receipt not more than 3 months	-	2,060,345.95
Total Cash and Cash Equivalents	2,212,152,527.49	309,700,598.07

6.2 Temporary investments comprise;

	Unit : Baht	
	30 Jun 18	31 Dec 17
Deposit more than 3 months but not more than 12 months	1,858,899,801.89	2,393,683,955.05
Fixed deposit receipt more than 3 months but not more than 12 months	2,078,131,470.80	2,052,857,142.13
Total Temporary Investments	3,937,031,272.69	4,446,541,097.18

6.3 Related party transactions

Related parties to EGATi for the three-month and six-month periods ended June 30, 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	
		30 Jun 18	31 Dec 17
6.3.1	Trade accounts receivable - related party comprise;		
	Nam Ngiep 1 Power Company Limited	1,812,630.28	2,314,979.00
6.3.2	Other accounts receivable - related party comprise;		
	Managements and officers	179,592.00	200,759.53
	Nam Ngiep 1 Power Company Limited	87,205.00	101,030.00
6.3.3	Trade accounts payable - related party comprise;		
	EGAT	673,688.26	1,344,759.69
6.3.4	Other accounts payable - related party comprise;		
	Other accounts payable		
	Managements and officers	281,098.16	919,279.07
	EGAT	189,823.00	609,975.55
	Accrued expenses		
	EGAT	541,044.00	168,728.45
6.3.5	Accounts payable - related party comprise;		
	PT Adaro Indonesia	5,382,439,700.00	5,304,822,800.00
6.3.6	Revenues - Related Party comprise;		
		Unit : Baht	
		Three-month period	
		2018	2017
		2018	2017
Nam Ngiep 1 Power Company Limited		1,812,630.28	2,383,928.95
PT Adaro Indonesia		-	-
		1,155,958,791.49	2,510,897,954.09

6.3.7 Cost of Services - Related Party comprise;

Unit : Baht

	Three-month period		Six-month period	
	2018	2017	2018	2017
EGAT	-	-	-	248,623.50

6.3.8 Administrative Expenses - Related Party comprise;

Unit : Baht

	Three-month period		Six-month period	
	2018	2017	2018	2017
Directors and management remuneration	6,463,576.71	4,905,234.00	13,229,403.40	9,405,367.33
EGAT	1,805,473.33	1,788,531.75	3,439,088.72	3,403,251.63

6.4 Trade accounts receivable comprise;

Unit : Baht

	30 Jun 18	31 Dec 17
Trade accounts receivable - related party (Note 6.3.1)		
Nam Ngiep 1 Power Company Limited		
Associate management services	1,812,630.28	2,314,979.00
Total trade accounts receivable	1,812,630.28	2,314,979.00

6.5 Other accounts receivable comprise;

	Unit : Baht	
	30 Jun 18	31 Dec 17
Other accounts receivable - related party (Note 6.3.2)		
Managements and officers	179,592.00	200,759.53
Nam Ngiep 1 Power Company Limited	87,205.00	101,030.00
	266,797.00	301,789.53
Other accounts receivable - co-developer	15,512,079.68	12,791,672.61
Other accounts receivable - other parties	3,190,880.00	6,930,605.26
Prepaid expenses	93,699.48	216,242.21
Accrued interest income	15,404,768.15	34,344,154.20
Total other accounts receivable	34,468,224.31	54,584,463.81

6.6 Bank deposits as collateral

The bank deposits amount of USD 7.165 million or approximately Baht 236.48 million (using the buying rate as at June 29, 2018 at Baht 33.0065 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 mention in note 8.2.

6.7 Investment in associates

6.7.1 Information of associated company

Company name	Country of incorporation/nationality	Business	Shareholding proportion	
			(percentage)	
Associated company			30 Jun 18	31 Dec 17
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 (percentage)		Equity Method		Cost Method		Dividend	
	30 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17	30 Jun 18	30 Jun 17
Associated Company								
Nam Ngiep 1 Power Company Limited	30	30	2,023,681,431.18	1,775,997,234.34	2,383,006,663.06	2,178,714,361.66	-	-
PT Adaro Indonesia	11.533	11.533	9,245,333,047.92	9,764,355,472.01	11,603,316,150.00	11,603,316,150.00	1,155,958,791.49	2,510,897,954.09
Total			11,269,014,479.10	11,540,352,706.35	13,986,322,813.06	13,782,030,511.66	1,155,958,791.49	2,510,897,954.09

Movements in investment in associates can be analyzed as follows;

Unit : Baht

	Equity Method		Cost Method	
	30 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17
Book value at the beginning of period	11,540,352,706.35	12,880,596,964.49	13,782,030,511.66	13,160,565,819.46
Additional investments	204,292,301.40	621,464,692.20	204,292,301.40	621,464,692.20
Share of profit from investment in associates	666,617,908.07	1,338,013,219.71	-	-
Currency translation differences	39,647,021.17	(366,098,360.60)	-	-
Share of other comprehensive income (loss) of associates				
Changes in fair value of available-for-sale				
financial assets	(25,936,666.40)	4,010,621.18	-	-
Remeasurements of defined benefit plans	-	(3,014,083.48)	-	-
Dividend income	(1,155,958,791.49)	(2,934,620,347.15)	-	-
Book value at the end of period	11,269,014,479.10	11,540,352,706.35	13,986,322,813.06	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 6.41 million.

On February 15, 2018, Nam Ngiep 1 Power Company Limited has increased the registered capital from 2,5000,000 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 June 30, 2018, EGATi has fully paid up share in amount of 713,622 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, EGATi record of the remaining in the financial statements.

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 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	11,603,316,150.00

Revaluation surplus of mining properties amortize by unit producing method on amount of coal producing in each year compare with coal production plan.

Hedging item in associated company

In accordance with International Financial Reporting Standard No.9 on Financial Instruments, as at June 30, 2018, Nam Ngiep 1 Power Company Limited entered into Interest Rate Swap Contract (IRS) and Cross Currency Swap Contract (CCS). The effective of hedging are as follows;

1. Interest Rate Swap Contract incurred gains of USD 11.982 million (approximately Baht 379.39 million) in the other comprehensive income.
2. Cross Currency Swap Contract incurred losses of USD 0.105 million (approximately Baht 3.48 million) which recognized in the profit and loss. (using the average rate during the period).

And PT Adaro Indonesia entered into fuel hedging contract which are based on price on GAS OIL-0.5 SINGAPORE-PLATTS ASIA-PACIFIC and interest hedging contract. The effective of hedging are as follows;

1. Fuel hedging Contract incurred gains of USD 0.764 million (approximately Baht 24.33 million) which recognized in the profit and loss, and gains of USD 2.067 million (approximately Baht 65.70 million) in the other comprehensive income
2. Interest Rate Swap Contract incurred losses of USD 1.028 million (approximately Baht 32.83 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, 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 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, 2018	5,206,023.85	-	5,206,023.85
Additions	-	2,680,370.20	2,680,370.20
As at June 30, 2018	5,206,023.85	2,680,370.20	7,886,394.05
Accumulated depreciation			
As at January 1, 2018	(4,095,247.07)	-	(4,095,247.07)
Depreciation for the period	(186,141.55)	(220,304.50)	(406,446.05)
As at June 30, 2018	(4,281,388.62)	(220,304.50)	(4,501,693.12)
Net book value			
As at December 31, 2017	1,110,776.78	-	1,110,776.78
As at June 30, 2018	924,635.23	2,460,065.70	3,384,700.93

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

	Unit : Baht		
	Furniture and office equipment	Vehicles	Total
As at June 30, 2018			
Cost	319,500.00	2,680,370.20	2,999,870.20
Accumulated depreciation	(96,457.77)	(220,304.50)	(316,762.27)
Net book value	223,042.23	2,460,065.70	2,683,107.93
As at December 31, 2017			
Cost	319,500.00	-	319,500.00
Accumulated 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, 2018	3,487,300.07	3,487,300.07
As at June 30, 2018	3,487,300.07	3,487,300.07
Accumulated amortization		
As at January 1, 2018	(2,209,487.39)	(2,209,487.39)
Amortization for the period	(300,755.62)	(300,755.62)
As at June 30, 2018	(2,510,243.01)	(2,510,243.01)
Net book value		
As at December 31, 2017	1,277,812.68	1,277,812.68
As at June 30, 2018	977,057.06	977,057.06

6.10 Project development costs - for collection

As at June 30, 2018, EGAT has recognized project development costs - for collection in the amount of Baht 508.21 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) Hydropower Project	Quang Tri 1 Thermal Power Plant Project	Total
Balance at January 1, 2018	483,458,625.45	12,751,145.86	496,209,771.31
Additions during the period	8,683,101.13	3,899,721.05	12,582,822.18
Loss on foreign exchange rate	(768,617.44)	190,375.79	(578,241.65)
Balance at June 30, 2018	491,373,109.14	16,841,242.70	508,214,351.84

6.11 Deferred income taxes

6.11.1 Deferred tax assets and liabilities

Unit : Baht

	30 Jun 18	31 Dec 17
Deferred tax assets, net	913,240.08	808,967.19

6.11.2 Movements in deferred tax assets and liabilities

Unit : Baht

	31 Dec 17	Profit or Loss	30 Jun 18
Deferred tax assets :			
Employee benefits	850,473.20	109,713.10	960,186.30
Total	850,473.20	109,713.10	960,186.30
Deferred tax liabilities :			
Finance lease liabilities	18,995.78	4,124.64	23,120.42
Equipment	22,510.23	1,315.57	23,825.80
Total	41,506.01	5,440.21	46,946.22

6.12 Trade accounts payable comprise;

Unit : Baht

	30 Jun 18	31 Dec 17
Trade accounts payable - related party (Note 6.3.3)		
EGAT		
Administrative service expenses	673,668.26	1,344,759.69
	673,668.26	1,344,759.69
Trade accounts payable - non-related party		
Consultant fees	2,858,665.03	87,602.47
Associate management service expenses	145,161.00	-
	3,003,826.03	87,602.47
Total trade accounts payable	3,677,494.29	1,432,362.16

6.13 Other accounts payable comprise;

	Unit : Baht	
	30 Jun 18	31 Dec 17
Other accounts payable - related party, entity (Note 6.3.4)		
EGAT		
Airfares	93,095.00	584,655.00
Car rental for executives	86,028.00	-
Travelling expenses – EGAT employees	-	23,238.90
Other expenses	10,700.00	2,081.65
	<u>189,823.00</u>	<u>609,975.55</u>
Other accounts payable - related party, individuals		
(Note 6.3.4)	281,098.16	919,279.07
Other accounts payable - non-related party	397,593.61	1,338,307.92
Accrued expenses - related party (Note 6.3.4)		
EGAT		
Survey fees - Upper Thanlwin (Mong Ton) Hydropower Project	-	58,835.45
Travelling expenses	498,030.00	23,865.00
Car rental for executives	43,014.00	86,028.00
	<u>541,044.00</u>	<u>168,728.45</u>
Other accrued expenses comprise;		
Project development expenses	8,128,794.82	5,974,019.74
Employee expenses	11,552,465.91	21,762,444.93
Other service fees	2,092,927.11	2,632,032.51
Other expenses	1,037,738.30	1,393,142.82
	<u>22,811,926.14</u>	<u>31,761,640.00</u>
Total other accounts payable	<u>24,221,484.91</u>	<u>34,797,930.99</u>

6.14 Other current liabilities comprise;

	Unit : Baht	
	30 Jun 18	31 Dec 17
Deposit received and security guarantee	452,655.00	450,245.00
Withholding tax	533,239.57	433,475.19
Withholding tax payable to Lao PDR	-	104,561.55
Total other current liabilities	985,894.57	988,281.74

6.15 Non-current provisions for employee benefits

As at June 30, 2018, the non-current provisions for employee benefits as shown in statement of financial position comprise of;

	Unit : Baht	
	30 Jun 18	31 Dec 17
Balance the beginning	4,252,366.00	3,108,286.00
Current service costs	484,780.00	843,472.00
Interest costs	63,785.50	139,557.00
Actuarial losses	-	667,542.00
Past service costs	-	757,273.00
Actual payment	-	(1,263,764.00)
Balance the end	4,800,931.50	4,252,366.00

Expenses recognized in the statement of comprehensive income for the three-month and six-month periods ended June 30, 2018 are as follows;

	Unit : Baht			
	Three-month period		Six-month period	
	2018	2017	2018	2017
Current service costs	242,390.00	189,367.75	484,780.00	378,735.50
Interest costs	31,892.75	29,529.00	63,785.50	59,058.00
Total	274,282.75	218,896.75	548,565.50	437,793.50

6.16 Finance Lease Liabilities

Unit : Baht

	30 Jun 18	31 Dec 17
Finance leases liabilities	2,948,812.41	159,750.00
Less : Deferred interest expenses	(381,306.67)	-
	2,567,505.74	159,750.00
Less : Current portion	(563,482.21)	(159,750.00)
Finance leases liabilities-net of current portion	2,004,023.53	-

Unit : Baht

	Finance leases liabilities		Deferred interest expenses		Net	
	30 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17
Within 1 year	705,824.91	159,750.00	(142,342.70)	-	563,482.21	159,750.00
1 - 5 years	2,242,987.50	-	(238,963.97)	-	2,004,023.53	-
Total	2,948,812.41	159,750.00	(381,306.67)	-	2,567,505.74	159,750.00

6.17 Share capital

As at June 30, 2018, EGAT'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 EGAT, the remaining was assigned by EGAT to be held by EGAT's executives.

6.18 Legal reserve

As at June 30, 2018, EGAT has legal reserve in the amount of Baht 125.11 million according to the company's regulation and law. The company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), until the legal reserve reaches an amount not less than 10% of the registered capital. The legal reserve shall not be appropriated.

6.19 Revenue from services

Revenue from services for the three-month and six-month periods ended June 30, 2018 are as follows:

			Unit : Baht	
	Three-month period		Six-month period	
	2018	2017	2018	2017
Revenue from service - related party (Note 6.3.6)				
Nam Ngiep 1 Power Company Limited				
Management service agreement	1,812,630.28	2,383,928.95	3,708,462.28	4,820,570.95
Total revenue from service	1,812,630.28	2,383,928.95	3,708,462.28	4,820,570.95

6.20 Cost of services

Cost of services for the three-month and six-month periods ended June 30, 2018 are as follows:

			Unit : Baht	
	Three-month period		Six-month period	
	2018	2017	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	1,104,567.23	1,639,786.01	2,479,521.04	3,202,163.80
Total cost of services	1,104,567.23	1,639,786.01	2,479,521.04	3,450,787.30

6.21 Administrative expenses

Administrative expenses for the three-month and six-month periods ended June 30, 2018 are as follows:

	Unit : Baht	
	Three-month period	
	2018	2017
Administrative expenses - related party (Note 6.3.8)		
EGAT		
Administrative service expenses	1,491,321.33	1,456,677.67
Car rental for executives	129,042.00	129,042.00
Survey fees - Upper Thanlwin (Mong Ton) Hydropower Project	185,110.00	-
Consultant fees - Upper Thanlwin (Mong Ton) Hydropower Project	-	202,812.08
	1,805,473.33	1,788,531.75
Employee expenses	22,383,548.96	15,530,884.98
Project development expenses	1,433,119.98	652,930.87
Associate administrative expenses	532,523.74	550,041.67
Other service fees	4,053,780.78	3,432,731.40
Committee travelling expenses	521,985.00	1,000.00
Others	4,155,415.47	3,637,372.95
Total administrative expenses	34,885,847.26	25,593,493.62
	Unit : Baht	
	Six-month period	
	2018	2017
Administrative expenses - related party (Note 6.3.8)		
EGAT		
Administrative service expenses	2,991,600.17	2,867,455.55
Car rental for executives	258,084.00	258,084.00
Survey fees - Upper Thanlwin (Mong Ton) Hydropower Project	189,404.55	74,900.00
Consultant fees - Upper Thanlwin (Mong Ton) Hydropower Project	-	202,812.08
	3,439,088.72	3,403,251.63
Employee expenses	44,222,793.38	31,360,435.91
Project development expenses	2,953,236.37	2,470,163.22
Associate administrative expenses	1,467,749.19	1,499,264.05
Other service fees	7,881,951.46	5,568,598.92
Committee travelling expenses	4,485,550.07	574,619.60
Others	8,466,282.09	7,183,779.07
Total administrative expenses	72,916,651.28	52,060,112.40

Project development expenses for the six-month period ended June 30, 2018 in the amount of Baht 2.95 million; mostly are travelling expenses amount of Baht 2.57 million.

6.22 Expenses by nature

Expenses by nature for the three-month and six-month periods ended June 30, 2018 are as follows:

	Three-month period		Six-month period	
	2018	2017	2018	2017
Employee expenses	22,512,590.96	15,659,926.98	44,480,877.38	31,618,519.91
Outsourcing costs	5,902,768.78	5,324,409.07	11,666,550.25	9,554,677.97
Project development expenses	1,618,229.98	855,742.95	3,142,640.92	2,747,875.30
Depreciation and amortization	374,848.31	279,022.20	707,201.67	561,039.19
Loss on foreign exchange rate	74,971,733.54	-	-	-
Other expenses	5,622,217.74	5,114,178.43	15,466,975.23	11,028,787.33
Total expense by nature	111,002,389.31	27,233,279.63	75,464,245.45	55,510,899.70

6.23 Basic earnings (loss) per share

Basic earnings (loss) per share for the three-month and six-month periods ended June 30, 2018 are as follows:

	Three-month period			
	Financial Statements		Separate Financial Statements	
	in which the equity method is applied			
	2018	2017	2018	2017
Net profit attributable to shareholders' equity	392,274,992.38	446,229,671.12	(63,357,991.47)	22,653,182.23
Weighted average number of				
the ordinary shares (unit: shares)	1,219,740,000.00	1,216,940,549.45	1,219,740,000.00	1,216,940,549.45
Basic earnings (loss) per share	0.32	0.37	(0.05)	0.02

	Six-month period			
	Financial Statements			
	in which the equity method is applied		Separate Financial Statements	
	2018	2017	2018	2017
Net profit attributable to shareholders'equity	424,757,577.55	279,293,813.71	914,098,460.97	2,111,980,977.26
Weighted average number of				
the ordinary shares (unit:shares)	1,219,740,000.00	1,213,265,690.61	1,219,740,000.00	1,213,265,690.61
Basic earnings (loss) per share	0.35	0.23	0.75	1.74

7. Contingent Assets

Receipt of the payment of engineering feasibility and EIA studies for the amount of USD 4.42 million, or approximately Baht 145.89 million (using the buying rate as at June 29, 2018; at Baht 33.0065 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 (approximately USD 1.47 million) as at June 30, 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. Commitments

As at June 30, 2018, EGATi has commitments as follows:

8.1 Purchase Agreements

EGATi has five significant purchase agreements with the remaining contract amount approximately Baht 227.19 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 4.036 million or approximately Baht 134.51 million (using the selling rate as at June 29, 2018 at Baht 33.3278 per USD).

8.2 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 30.078 million which EGATi's bank deposits account in the amount of USD 7.165 million was secured as collateral as mentioned in Note 6.6.

9. Events after the reporting period

9.1 On July 19, 2018, EGATi paid in the amount of USD 0.090 million, or approximately Baht 3.02 million for share capital to Nam Ngiep 1 Power Company Limited according to the shareholding of 30 percent.

9.2 On August 7, 2018, EGATi paid in the amount of USD 1.440 million, or approximately Baht 48.26 million for share capital to Nam Ngiep 1 Power Company Limited according to the shareholding of 30 percent.

9.3 On July 31, 2018, EGATi renewed Standby letter of credit (SBLC) with Mizuho Bank, Ltd. for 12 months, September 1, 2018 to August 31, 2019, in amount of USD 28.548 million.

11. Authorization of Financial Statements

The issuance of these financial statements has been authorized by EGATi's authorized directors on September 4, 2018.
