



**SAMRUK-ENERGY JSC**

**Explanatory note to the condensed consolidated interim financial statements (unaudited)**

**31 March 2018**

**"Samruk-Energy" JSC**  
**Condensed Consolidated Interim Statement of Financial Position**

<i>In thousands of Kazakhstan Tenge</i>	Прим.	31 March 2018 (unaudited)	31 December 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	779,525,774	780,565,005
Investment property		506,072	531,852
Intangible assets	7	4,947,393	3,799,095
Investments in joint ventures and associates	8	59,782,686	52,888,220
Other non-current assets	9	18,600,712	17,991,254
<b>Total non-current assets</b>		<b>863,362,637</b>	<b>855,775,426</b>
<b>Current assets</b>			
Inventories	10	8,774,208	9,046,923
Trade and other receivables	11	28,335,681	23,956,827
Other current assets	12	16,384,996	18,531,019
Income tax prepaid		1,137,301	1,432,148
Cash and cash equivalents	13	17,651,240	32,719,043
Assets of disposal group, classified as held-for-sale	14	14,813,041	14,816,829
<b>Total current assets</b>		<b>87,096,467</b>	<b>100,502,790</b>
<b>TOTAL ASSETS</b>		<b>950,459,104</b>	<b>956,278,216</b>

Signed on behalf of management on 11 May 2018.

Kanysh T. Moldabayev  
 Managing Director for Development and  
 Sales



Saule B. Tulekova  
 Head of Accounting and Tax Department  
 – Chief Accountant

**"Samruk-Energy" JSC**  
**Condensed Consolidated Interim Statement of Financial Position (continued)**

<i>In thousands of Kazakhstan Tenge</i>	Note	31 March 2018 (unaudited)	31 December 2017
<b>EQUITY</b>			
Share capital	15	373,314,888	373,314,888
Other reserves	15	127,546,130	127,546,130
Retained earnings		(9,815,493)	(22,057,982)
<b>Equity attributable to the Group's equity holders</b>		<b>491,045,525</b>	<b>478,803,036</b>
Non-controlling interest	27	765,142	707,640
<b>TOTAL EQUITY</b>		<b>491,810,667</b>	<b>479,510,676</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provision for liquidation of ash dump		2,409,928	2,279,270
Employee benefit obligations		1,489,578	1,314,015
Borrowings	16	293,355,978	312,574,158
Other non-current liabilities	17	4,803,742	4,443,216
Deferred income tax liabilities	25	82,538,414	82,058,114
<b>Total non-current liabilities</b>		<b>384,597,640</b>	<b>402,668,773</b>
<b>Current liabilities</b>			
Provision for liquidation of ash dump		125,000	125,000
Borrowings	16	41,127,403	45,912,886
Employee benefit obligations		125,488	120,361
Trade and other payables	18	27,004,924	24,897,537
Taxes payable and other payables to budget	25	3,447,861	2,600,743
Income tax payable	25	2,139,275	369,334
<b>Liabilities of disposal group, classified as held-for-sale</b>	14	<b>80,846</b>	<b>72,906</b>
<b>Total current liabilities</b>		<b>74,050,797</b>	<b>74,098,767</b>
<b>TOTAL LIABILITIES</b>		<b>458,648,437</b>	<b>476,767,540</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>950,459,104</b>	<b>956,278,216</b>

Signed on behalf of management on 11 May 2018.

Kanysh T. Moldabayev  
 Managing Director for Development and  
 Sales



Saule B. Tulekova  
 Head of Accounting and Tax Department  
 – Chief Accountant

**SAMRUK-ENERGY JSC****Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income**

<i>In thousands of Kazakhstan Tenge</i>	<b>Note</b>	<b>1 quarter 2018</b>	<b>1 quarter 2017</b>
Revenue	19	73,740,093	60,203,696
Cost of sales	20	(48,126,812)	(40,777,901)
<b>Gross profit</b>		<b>25,613,281</b>	<b>19,425,795</b>
Selling expense		(4,619,185)	(3,100,359)
General and administrative expenses	21	(3,212,715)	(2,932,307)
Share in profit of joint ventures and associates	8	6,976,791	4,803,642
Other income		519,710	914,538
Other expense		(218,956)	(442,540)
Finance income	22	2,420,496	12,108,661
Finance cost	23	(11,522,161)	(6,070,268)
<b>Profit before income tax</b>		<b>15,957,261</b>	<b>24,707,162</b>
Income tax expense	24	(3,213,132)	(2,578,236)
<b>Profit for the period from continuing operations</b>		<b>12,744,129</b>	<b>22,128,926</b>
Profit for the period from discontinued operations		(40,523)	2,744,755
<b>Profit for the period</b>		<b>12,703,606</b>	<b>24,873,681</b>
Other comprehensive (loss)/income			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post-employment benefit obligations		(67,203)	32,870
<b>Total comprehensive income for the period</b>		<b>12,636,403</b>	<b>24,906,551</b>
<b>Profit attributable to:</b>			
Equity holders of the Group		12,646,104	24,528,132
Non-controlling interest		57,502	345,549
<b>Profit for the period</b>		<b>12,703,606</b>	<b>24,873,681</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Group		12,578,901	24,561,002
Non-controlling interest		57,502	345,549
<b>Total comprehensive income for the period</b>		<b>12,636,403</b>	<b>24,906,551</b>

**SAMRUK-ENERGY JSC**  
**Condensed Consolidated Interim Statement of Changes in Equity**

<i>In thousands of Kazakhstan Tenge</i>	Note	Attributable to equity holders of the Group				Non- controlling interest	Total Equity
		Share capital	Other reserves	Retained earnings	Total		
<b>Balance at 1 January 2017</b>		<b>373,314,888</b>	<b>127,639,377</b>	<b>12,481,878</b>	<b>513,436,143</b>	<b>3,159,992</b>	<b>516,596,135</b>
Profit for the year		-	-	(27,883,943)	(27,883,943)	680,786	(27,203,157)
Other comprehensive income		-	(93,247)	-	(93,247)	-	(93,247)
<b>Total comprehensive income</b>		<b>-</b>	<b>(93,247)</b>	<b>(27,883,943)</b>	<b>(27,977,190)</b>	<b>680,786</b>	<b>(27,296,404)</b>
Other equity distributions	15	-	-	(1,951,020)	(1,951,020)	-	(1,951,020)
Non-controlling interest of discontinued operations		-	-	-	-	(3,133,138)	(3,133,138)
Dividends		-	-	(4,704,897)	(4,704,897)	-	(4,704,897)
<b>Balance at 31 December 2017</b>		<b>373,314,888</b>	<b>127,546,130</b>	<b>(22,057,982)</b>	<b>478,803,036</b>	<b>707,640</b>	<b>479,510,676</b>
Profit for the period		-	-	12,646,104	12,646,104	57,502	12,703,606
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>12,646,104</b>	<b>12,646,104</b>	<b>57,502</b>	<b>12,703,606</b>
Other equity distributions	15	-	-	(403,615)	(403,615)	-	(403,615)
Dividends	15	-	-	-	-	-	-
<b>Balance at 31 March 2018</b>		<b>373,314,888</b>	<b>127,546,130</b>	<b>(9,815,493)</b>	<b>491,045,525</b>	<b>765,142</b>	<b>491,810,667</b>

**SAMRUK-ENERGY JSC**  
**Consolidated Statement of Cash Flows**

<i>In thousands of Kazakhstan Tenge</i>	Note	1 quarter 2018	1 quarter 2017
<b>Движение денежных средств от операционной деятельности</b>			
<i>Поступление денежных средств, всего</i>		<b>78,730,568</b>	<b>78,107,181</b>
Реализация продукции и товаров		63,691,163	58,730,039
Реализация услуг		2,157,038	3,379,181
Авансы полученные		12,113,290	13,595,115
Полученные вознаграждения по средствам в кредитных учреждениях		411,225	659,175
Прочие поступления		357,852	1,743,671
<b>Выбытие денежных средств, всего</b>		<b>(66,378,269)</b>	<b>(58,524,292)</b>
Платежи поставщикам за товары и услуги		(19,696,804)	(22,615,328)
Авансы выданные		(23,267,063)	(16,186,584)
Выплаты по заработной плате		(6,887,229)	(8,307,231)
Выплата вознаграждения по займам полученным		(8,618,220)	(3,518,212)
Корпоративный подоходный налог		(934,797)	(898,342)
Другие платежи в бюджет		(4,307,377)	(4,691,559)
Прочие выплаты		(2,666,779)	(2,307,036)
<b>Чистые денежные средства, полученные от операционной деятельности, в том числе</b>		<b>12,352,299</b>	<b>19,582,889</b>
<b>Чистые денежные средства, полученные от операционной прекращенной деятельности</b>		<b>(36,846)</b>	<b>3,517,918</b>
<b>Движение денежных средств от инвестиционной деятельности</b>			
<i>Поступление денежных средств, всего</i>		<b>19,103,726</b>	<b>9,841,879</b>
Поступления от продажи основных средств		-	169,214
Возврат банковских вкладов		13,699,709	5,981,025
Дивиденды и прочие выплаты от совместно-контролируемых организаций		1,272,346	1,656,344
Прочие поступления		4,131,671	2,035,296
<b>Выбытие денежных средств, всего</b>		<b>(24,371,385)</b>	<b>(17,280,942)</b>
Приобретение основных средств		(10,411,825)	(10,623,009)
Приобретение нематериальных активов		(101,378)	(70,767)
Размещение банковских вкладов		(11,539,929)	(4,807,317)
Прочие выплаты		(2,318,253)	(1,779,849)
<b>Чистые денежные средства, использованные в инвестиционной деятельности, в том числе</b>		<b>(5,267,659)</b>	<b>(7,439,063)</b>
<b>Чистые денежные средства, использованные в инвестиционной прекращенной деятельности</b>		<b>27,559</b>	<b>(2,162,052)</b>
<b>Движение денежных средств по финансовой деятельности</b>			
<i>Поступление денежных средств, всего</i>		<b>6,795,733</b>	<b>9,273,676</b>
Поступления по краткосрочным займам полученным		3,635,149	3,800,000
Поступления по долгосрочным займам полученным		3,148,692	5,473,676
Прочие поступления		11,892	-
<b>Выбытие денежных средств, всего</b>		<b>(28,526,920)</b>	<b>(13,341,902)</b>
Выплата основного долга по краткосрочным займам полученным		(3,825,816)	(8,723,206)
Выплата основного долга по долгосрочным займам полученным		(24,593,707)	(4,295,286)
Дивиденды, выплаченные неконтролирующим собственникам		(2,661)	(977)
Прочие выплаты		(104,736)	(322,433)
<b>Чистые денежные средства, полученные/(использованные) от финансовой деятельности, в том числе</b>		<b>(21,731,187)</b>	<b>(4,068,226)</b>
<b>Чистые денежные средства, полученные от финансовой прекращенной деятельности</b>		<b>-</b>	<b>(1,893,128)</b>

**SAMRUK-ENERGY JSC**  
**Consolidated Statement of Cash Flows**

<i>In thousands of Kazakhstan Tenge</i>	Note	1 quarter 2018	1 quarter 2017
<b>Влияние изменений обменного курса на saldo денежных средств в иностранной валют</b>		<b>(430,543)</b>	<b>(395,348)</b>
<b>Чистое увеличение/(уменьшение) денежных средств, в том числе</b>		<b>(15,077,090)</b>	<b>7,680,252</b>
Чистое уменьшение денежных средств от прекращенной деятельности		<b>(9,287)</b>	<b>(537,262)</b>
<b>Денежные средства на начало года, в том числе:</b>		<b>32,730,644</b>	<b>18,608,593</b>
Денежные средства на начало года по консолидированному отчету о финансовом положении		<b>32,719,043</b>	<b>17,350,461</b>
Денежные средства на начало года прекращенной деятельности		<b>11,601</b>	<b>1,258,132</b>
<b>Денежные средства на конец года, в том числе:</b>		<b>17,653,554</b>	<b>26,288,845</b>
Денежные средства на конец года по консолидированному отчету о финансовом положении		<b>17,651,240</b>	<b>25,567,975</b>
Денежные средства на конец года прекращенной деятельности		<b>2,314</b>	<b>720,870</b>

Суммы в консолидированном отчете о движении денежных средств представлены на валовой основе с учетом прекращенной деятельности.

## **1 Samruk-Energy Group and its Operations**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, “Interim financial reporting” for the three months ended 31 March 2018 for Samruk-Energy JSC (the “Company”) and its subsidiaries (together referred to as the “Group”).

The Company was incorporated on 18 April 2007 and registered on 10 May 2007. The Company is a joint stock company, and was set up in accordance with regulations of the Republic of Kazakhstan. The Group was established for the purpose of consolidation of entities in electric power industry of the Republic of Kazakhstan.

The Company’s shareholder is Samruk-Kazyna National Welfare Fund JSC (“Samruk-Kazyna”).

As of 31 March 2018 Company’s shareholder is Samruk-Kazyna National Welfare Fund JSC (“Samruk-Kazyna”). The Company’s ultimate controlling party is the Government of the Republic of Kazakhstan.

### ***Principal activity***

The Group’s principal activities are production of electricity, heat energy, hot water on the basis of coal, hydrocarbons and water resources, and sale to households and industrial enterprises, transmission of electricity and technical distribution of electricity within the network, construction of power stations, leasing of property of power stations.

The operations of the Group’s subsidiaries and joint ventures, which are dominant entities and natural monopolists in certain areas, are regulated by the Law of the RoK on Natural Monopolies and Regulated Markets, the Law on Competition and the Restriction of Monopolistic Activity (the “Antimonopoly legislation”). The tariff is regulated based on type of energy company and regulated by the Committee on Regulation of Natural Monopolies of the Ministry of Economics of the RoK (“Committee”) or by the relevant ministry - Ministry of Energy of the RoK.

Electricity tariffs for energy producers are approved by the order of the Minister of Energy #160 dated 27 February 2015 and subsequent changes and amendments to it on Approval of Cap for Tariffs for the period from 2016 to 2018. Tariffs for the supply of electricity produced by objects on use of renewable energy sources are fixed and approved by the Decree of the Government of RoK according to the Renewable Energy technology (separately for wind, solar and other sources), and are subject to annual indexation. Wherein financial center acts as a buyer, and energy producing organizations act as a seller. Tariffs for transmission and distribution of electricity, production of heat energy and energy supply are regulated by Committee on Regulation of Natural Monopolies and Competition Protection of Ministry of Economics. Regulation and control are performed in accordance with the legislation.

The tariff related decisions are significantly exposed to social and political issues. Economic, social and other policies of the Government of the RoK may have the significant effect on the Group’s operations.

### ***Registered address and place of business***

The registered address and place of Company’s Head Office is: Kabanbai Batyr Avenue 15A, Astana, RoK.



## **2 Basis of Preparation and Significant Accounting Policies**

### ***Basis of preparation***

These condensed consolidated interim financial statements for the three-month period ended 31 March 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting, under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The main accounting policies, which were applied during the preparation of these condensed consolidated interim financial statements, correspond to those applied during preparation of consolidated financial statements for the year ended 31 December 2017, excluding income tax. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with IFRS. The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those of the previous financial year except for accounting for income taxes.

Income tax expenses for the interim period are accrued using the calculated effective tax rate that would be applicable for the financial year.

***Seasonality of operations.*** The Group's operations are exposed to the seasonal fluctuations. Fluctuations in electricity transmission volume, production of heat and electricity relate to heating season from October to April.

Also, the Group's repair and maintenance works are subject to seasonality. Significant amount of maintenance and repair works are expected to be carried out in second half of 2018 that will significantly increase the Group's expenses, downtime of power units and decreased level of electricity production.

### ***Exchange rates***

At 31 March 2018 the exchange rate used for translation of foreign currency balances was 1 US Dollar = Tenge 318.31 (31 December 2017: 1 US Dollar = Tenge 332.33) and 1 RUB = Tenge 5.53 (31 December 2017: 1 RUB = Tenge 5.76).

### **3 New Accounting Pronouncements**

The following amended standards became effective from 1 January 2017, but did not have a material impact on the Group.

- Disclosure Initiative – Amendments to IAS 7 (issued on 29 January 2016 and effective for annual periods beginning on or after 1 January 2017). The new disclosures are included in Note 28.
- Recognition of Deferred Tax Assets for Unrealised Losses – Amendment to IAS 12 (issued on 19 January 2016 and effective for annual periods beginning on or after 1 January 2017).
- Amendments to IFRS 12 included in Annual Improvements to IFRSs 2014-2016 Cycle (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2017).

#### *New standards and interpretations*

A number of new standards and interpretations have been published that are mandatory for annual periods beginning on or after 1 January 2018 and which the Group has not early adopted.

**IFRS 9 “Financial Instruments” (amended in July 2014 and effective for annual periods beginning on or after 1 January 2018).** Key features of the new standard are:

- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
- Classification for debt instruments is driven by the entity’s business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets’ cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
- Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.
- If, as of the balance sheet date, there is no significant increase in the credit risk of a financial instrument from the time of initial recognition, the Company should assess the estimated provision for losses on this financial instrument in an amount equal to the 12-month expected credit losses
- At each reporting date, the Company must assess the estimated provision for losses on the financial instrument in an amount equal to the expected credit losses for the entire period, if the credit risk for this financial instrument has increased significantly since the initial recognition.

When moving to a new standard, the Group did not engage third-party consulting organizations. To date, the Group is implementing measures to implement this standard within the working group formed by Samruk-Kazyna.

As a result of the activities, the Group identified a retrospective method of transition. The Group also analyzed the classification of financial instruments, according to which the classification of the Group's financial assets and liabilities remains unchanged. Accounting for financial instruments is carried at amortized cost.

### **3 New Accounting Pronouncements (Continued)**

**Clarifications to IFRS 15 Revenue from contracts with buyers (issued on 12 April 2016 and effective for annual periods beginning on or after 1 January 2018).** The amendments do not entail changes in the basic principles of the standard, but explain how these principles should be implemented. The amendments clarify how to identify the obligation to perform in the contract (the promise to transfer goods or services to a customer); How to determine whether the company is a principal (supplier of a product or service) or an agent (responsible for organization of the delivery of goods or services), and how to determine whether to recognize revenue from granting of a license at a point in time or over time. In addition to clarification, amendments include two additional exemption from fulfilling requirements, which will allow the company applying the new standard for the first time to reduce costs and complexity of accounting. The Company is currently assessing how the new standard will affect financial reporting.

IFRS 15 "Revenue from contracts with customers" (issued on May 28, 2014) will enter into force. The new standard introduces a key principle according to which revenue recognition is conducted to present the transfer of promised goods or services to customers in the amount expected to be received in exchange for these goods or services.

To date, the Group has carried out a preliminary assessment of the impact of the new standard on the financial statements according to the 5-step model:

**Step 1: Identification of a contract with a buyer.** The Group's principal activities include production, transmission and distribution of electricity in the territory of the Republic of Kazakhstan. The main share (90% or more) of the Group's consolidated revenue is attributable to revenues from sales and transmission of electricity and heat. The implementation of each type of service / goods is recorded in a separate, identifiable contract with an individual buyer.

**Step 2: Identification of contractual obligations subject to performance.** According to the terms of contracts, for sale and transfer of electricity and heat of the Group's subsidiaries, the binding obligations are identified at the time of the contract signing. The contracts for the sale and transfer of electricity and heat across the Group do not include accompanying and / or additional services.

**Step 3: Determine a price of a deal.** Principal activities of the Group are regulated by the laws of the Republic of Kazakhstan "On Electricity", "On Natural Monopolies and Regulated Markets" and the Law on Competition, according to which the Group's subsidiaries are natural monopoly entities. Thus, the amount of revenue is determined based on the tariffs for electricity and heat, approved by the authorized body of the Ministry of Energy of the Republic of Kazakhstan.

**Step 4: The distribution of a deal's price between the obligations subject to performance.** According to the terms of a contract for sale and transfer of electricity and heat, the contract price is the price for sold or transferred volume of electricity or heat, which is an independent subject of the service / goods.

**Step 5: Recognition of a revenue at the time or as the contractual obligation is met.** Revenues from sale and / or transmission of electricity and / or heat are recognized on the basis of the actual amount of electricity / heat transmitted or sold during one reporting period.

In accordance with the transitional provisions of IFRS 15, the Group selected a modified retrospective method of transition in the consolidated financial statements for the year ending December 31

The adoption of IFRS 15 will result in changes in accounting policies and in the recognition of possible adjustments in the consolidated financial statements. Based on the analysis of the Group's regular revenue streams for the year ended 31 December 2017, the terms of individual contracts, as described above and based on the facts and circumstances existing at that date, and taking into account the application of the modified retrospective method of transition, that application of the new standard from 1 January 2018 will not have a significant impact on the consolidated financial statements.

### **3 New Accounting Pronouncements (Continued)**

**IFRS 16, Leases (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019).** The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the statement of profit or loss and other comprehensive income. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently assessing the impact of the new standard on its consolidated financial statements.

**“Disclosure initiative” – Amendments to IFRS (IAS) 7 (issued on January 29, 2016 and effective for annual periods beginning on or after 1 January 2017).** Amendments to IAS 7 require disclosure of changes in liabilities arising from financial activities. The Company is currently assessing how the new standard will affect financial reporting.

- It is expected that the standards and interpretations, after the entry into force, will not have a significant impact on the Group's financial statements.
- - "Sale or contribution of assets to an associate or a joint venture by an investor" - Amendments to IFRS 10 and IAS 28 (issued September 11, 2014 and effective for annual periods beginning after the date specified by the International financial reporting standards).
- - "Recognition of deferred tax assets for unrealized losses" - Amendments to
- IAS 12 (issued January 19, 2016 and effective for annual periods beginning on or after 1 January 2017).
- - Amendments to IFRS 2 Share-based Payment (issued on 20 June 2016 and effective for annual periods beginning on or after 1 January 2018).
- - Application of IFRS 9 Financial Instruments and IFRS 4 Insurance Contracts - Amendments to IFRS 4 (issued on September 12, 2016 and come into effect, depending on the approach chosen: for annual periods beginning with On or after January 1, 2018, for organizations that have opted for a temporary exemption, and for the annual period from which the organization first implemented IFRS 9 for organizations that chose the overlap approach.
- - Annual improvements of International Financial Reporting Standards, 2014-2016. (issued on December 8, 2016 and effective with respect to the application of amendments to IFRS 12 - for annual periods beginning on or after 1 January 2017, with respect to the application of amendments to IFRS 1 and IAS ) 28 - for annual periods beginning with
- January 1, 2018 or after this date).
- IFRIC 22 - Foreign currency transactions and prepayment of reimbursement (issued December 8, 2016 and enter into force for annual periods beginning on or after 1 January 2018).

### **3 New Accounting Pronouncements (Continued)**

- Transfers to or from investment property - Amendments to IAS 40 (issued on December 8, 2016 and effective for annual periods beginning on January 1, 2018 or after this date).

Unless otherwise stated above, it is expected that these new standards and interpretations will not materially affect the Group's financial statements.

### **4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies**

#### ***Accounting for property, plant and equipment***

Financial Center - a subsidiary of JSC "KEGOC" (national grid and the national operator of the unified power system of the RoK) acts as the agent who buys the entire volume of electricity produced by companies producing electricity from renewable energy sources and resells it to stations producing electricity from coal and hydrocarbons. The entire volume of electricity is purchased at the station at a specified rate above the market rate, which is annually adjusted to the inflation.

According to the IASB (IFRIC) 4 contracts of this nature may contain signs of the lease. Management has assessed the requirements of the IASB (IFRIC) 4 and concluded that the contract is an operating lease in which PVES and Kapchagai SES represent lessors. Therefore, proceeds from the sale of electric power stations, were included in the income from the rental power plants.

Based on the measurement of fair value of investment property as of 31 March 2018 the Group has not identified impairment indicators of investment property (31 December 2017: no indicators).

#### ***Recognition of revenue from electricity sales***

The Group recognises revenue when the electricity is supplied according to the meter readings of the electricity consumers. The meter readings are provided by the customers on a monthly basis and checked by the Group for correctness on a sample basis. Since the procedures for invoicing of the consumed electricity have a cycle nature, the Group sold the significant volume of electricity at the end of the reporting period, for which invoices have not been issued to the customers. The Group recognises revenue for electricity sold from the moment of the last meter reading taking to the end of the reporting period on the basis of estimate. According to the Group's approach, the daily amount of purchased electricity consumed but not invoiced is determined as at the end of the reporting month which is then multiplied by the selling price.

#### ***Useful lives of property, plant and equipment***

The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. The following primary factors are considered: (a) expected usage of the assets; (b) expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) technical or commercial obsolescence arising from changes in market conditions.

#### ***Settlement agreement with Akimat***

In 2009 "Alatau Zharyk Kompaniyasy" LLP (AZhK") was involved in litigation with Akimat of Almaty city, a City administration ("Akimat"). On 14 February 2014 AZhK and Akimat signed an amicable agreement on the procedure for settling the liabilities of AZhk. To settle the liabilities, among other procedures, AZhK should accept power lines that are in the communal ownership and trust management of the Akimat. After deduction of all payments made during previous years as part of the amicable agreement, the amount of liabilities of AZhK as of 31 March 2018 equalled Tenge 5,841,514 thousand (31 December 2017: 5,841,514 thousand).

As of 31 December 2017 the adoption of power lines was not completed. The Group will cease recognising this liability when it is exempt from payment, at the moment of execution of all actions by the parties of the amicable agreement, namely at the moment of acceptance in the property of electric networks from Akimat. At the same time, the Group recognises a gain on derecognising the obligation for Tenge 5,841,514 thousand.

**5 Balances and Transactions with Related Parties (Continued)**

Related parties are defined in IAS 24, Related Party Disclosures. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Company's parent entity and ultimate controlling party are disclosed in Note 1.

The related parties include the companies under control of Samruk-Kazyna. The Kazakhstani state has significant influence over the Group. The Group decided to apply the exemption from disclosure of individually insignificant transactions and balances with the government and parties that are related to the entity because the Kazakhstan state has control, joint control or significant influence over such party.

The Group purchases from and sells goods to a large number of government related entities. Such purchases and sales are individually insignificant and are generally entered into on an arm's length basis. Transactions with the state also include taxes which are detailed in Note 27.

The nature of relations with those related parties with whom the Group entered into transactions or had balances outstanding at 31 March 2018 and 31 December 2017 is detailed below.

At 31 March 2018 the outstanding balances with related parties were as follows (including balances of disposal group):

<i>In thousands of Kazakhstan Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk-Energy</b>	<b>JVs and associates of Samruk-Kazyna</b>	<b>Shareholder</b>	<b>Government related entities</b>
Trade and other receivables	1,521,964	376,607	2,327	-	9,061,979
Cash and cash equivalents	2,953	-	-	-	2,223,457
Loans provided	-	-	-	-	-
Other current assets	79,854	91,031	-	-	20,549
Borrowings	-	-	5,170	58,806,704	18,230,556
Obligations under finance lease				518,693	
Trade and other payables	1,367,307	2,734,859	-	-	371,409
Other payables	10,484	6,213	-	79,576	11,442

At 31 December 2017 the outstanding balances with related parties were as follows (including balances of disposal group):

<i>In thousands of Kazakhstan Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk-Energy</b>	<b>JVs and associates of Samruk-Kazyna</b>	<b>Shareholder</b>	<b>Government related entities</b>
Trade and other receivables	1,243,074	352,364	3,335	-	6,993,904
Cash and cash equivalents	2,979	-	-	-	-
Loans provided	-	348,009	-	-	-
Other current assets	51,985	1,281,082	-	-	-
Borrowings	-	-	5,264	59,959,841	20,000,413
Trade and other payables	3,316,445	1,913,663	-	-	497,310
Other payables	10,266	7,809	1,587	55,022	84,273

**5 Balances and Transactions with Related Parties (Continued)**

The income and expense items with related parties for the period ended 31 March 2018 were as follows (including results of discontinued operations):

<i>In thousands of Kazakhstan Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk-Energy</b>	<b>JVs and associates of Samruk-Kazyna</b>	<b>Shareholder</b>	<b>Government related entities</b>
Revenue	6,995,440	663,192	8,927	-	10,298,345
Cost of sales	9,054,061	19	-	-	661,900
General and administrative expenses	90,653	-	-	-	-
Selling expense	4,613,613	-	-	-	-
Other expenses	108,592	402,924	-	21,923	-
Other income	112,137	-	-	-	-
Finance costs	-	-	-	1,499,493	325,734
Finance income	-	11,447	-	-	133,417
Loss on foreign exchange	975	-	-	-	-

The income and expense items with related parties for the period ended 31 March 2017 were as follows (including results of discontinued operations):

<i>In thousands of Kazakhstan Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk-Energy</b>	<b>JVs and associates of Samruk-Kazyna</b>	<b>Shareholder</b>	<b>Government related entities</b>
Revenue	9,133,819	700,264	768,020	-	8,432,062
Cost of sales	12,056,287	5,926,606	2,713	-	855,144
General and administrative expenses	84,594	-	-	-	-
Selling expense	3,092,620	-	-	-	-
Other expenses	132,541	-	-	23,990	-
Other income	130,476	10,022	1,080	-	-
Finance costs	-	-	-	1,275,311	350,113
Finance income	-	-	-	3,240	-
Loss on foreign exchange	-	(10,564)	-	-	(703,257)

**5 Balances and Transactions with Related Parties (Continued)**

Key management compensation is presented below:

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2018</b>	<b>31 March 2017</b>
Key management compensation	31,059	34,346
<b>Total key management compensation</b>	<b>31,059</b>	<b>34,346</b>

Key management personnel compensation represents the salaries, bonuses and other short-term employee benefits. Key management personnel as at 31 March 2018 include 7 persons (31 March 2017: 8 persons).

Transactions with related parties are made on terms agreed between the parties that do not necessarily correspond to market rates, with the exception of regulated services that are provided on the basis of the tariffs proposed for related parties.



## 6 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

<i>In thousands of Kazakhstan Tenge</i>	<b>Buildings and constructions</b>	<b>Machinery and equipment</b>	<b>Other</b>	<b>Construction in progress</b>	<b>Total</b>
Cost at 1 January 2018	232,596,485	601,987,987	13,553,867	121,628,104	969,766,443
Accumulated depreciation and impairment	(48,090,846)	(133,166,147)	(5,129,319)	(2,815,126)	(189,201,438)
<b>Carrying amount at 1 January 2018</b>	<b>184,505,639</b>	<b>468,821,840</b>	<b>8,424,548</b>	<b>118,812,978</b>	<b>780,565,005</b>
Additions	160,070	205,152	30,668	10,624,062	11,019,952
Transfers	708,777	2,519,730	375	(3,228,882)	-
Change in accounting estimates	92,653	-	-	-	92,653
Depreciation	(2,533,157)	(9,080,455)	(232,641)	-	(11,846,253)
Disposal	(146)	(175)	(899)	(304,363)	(305,582)
<b>Carrying amount at 31 March 2018</b>	<b>182,933,836</b>	<b>462,466,092</b>	<b>8,222,051</b>	<b>125,903,796</b>	<b>779,525,774</b>
Cost at 31 March 2018	233,569,814	604,707,854	13,522,431	128,706,073	980,506,172
Accumulated depreciation and impairment	(50,635,978)	(142,241,762)	(5,300,380)	(2,802,278)	(200,980,398)
<b>Carrying amount at 31 March 2018</b>	<b>182,933,836</b>	<b>462,466,092</b>	<b>8,222,051</b>	<b>125,903,796</b>	<b>779,525,774</b>

Additions for the period ended 31 March 2018 include capitalised borrowing costs in the amount of Tenge 592,887 thousand (2017: Tenge 1,975,145 thousand).

As at 31 March 2018 the property, plant and equipment with carrying value of Tenge 6,030,091 thousand (31 December 2017: Tenge 5,433,562 thousand) were pledged as collateral for borrowings received by the Group from Development Bank of Kazakhstan JSC.

## 6 Property, Plant and Equipment (continued)

Depreciation charge is allocated to the following items of profit and loss for the period:

<i>In thousands of Kazakhstan Tenge</i>	<b>3 months ended 31 March 2018</b>	<b>3 months ended 31 March 2017</b>
Cost of sales	11,663,046	11,071,142
General and administrative expenses	179,946	213,889
Other expense	3,261	3,941
<b>Total depreciation charges</b>	<b>11,846,253</b>	<b>11,288,972</b>

## 7 Intangible Assets

<i>In thousands of Kazakhstan Tenge</i>	<b>Licenses</b>	<b>Computer software</b>	<b>Other</b>	<b>Total</b>
Cost at 1 January 2018	385,992	4,170,059	1,314,581	5,870,632
Accumulated amortisation	(251,916)	(1,376,565)	(443,056)	(2,071,537)
<b>Carrying amount at 1 January 2018</b>	<b>134,076</b>	<b>2,793,494</b>	<b>871,525</b>	<b>3,799,095</b>
Additions	-	489,632	503,972	993,602
Disposals	(898)	(3,219)	-	(4,117)
Transfers	-	293,802	-	293,802
Amortisation charge	(14,122)	(62,345)	(58,522)	(134,989)
Cost at 31 March 2018	381,062	4,844,801	1,816,172	7,042,035
Accumulated amortisation	(262,006)	(1,333,437)	(499,198)	(20,94,641)
<b>Carrying amount at 31 March 2018</b>	<b>119,056</b>	<b>3,511,364</b>	<b>1,316,973</b>	<b>4,947,393</b>

## 8 Investments in Joint Ventures and Associates

The table below summarises the movements in the carrying amount of the Group's investment in joint ventures and associates.

<i>In thousands of Kazakhstan Tenge</i>	Joint venture		Associates	Total
	EGRES-2	Forum Muider B.V.	BTPP	
<b>Balance at 1 January 2017</b>	<b>31,810,629</b>	<b>26,524,888</b>	<b>27,570,523</b>	<b>85,906,040</b>
Impairment of investments	-	-	(27,570,523)	(27,570,523)
Share of profit/(loss) for the year	(9,546,005)	10,480,790	-	934,785
Dividends received	-	(6,382,082)	-	(6,382,082)
<b>Balance at 31 December 2017</b>	<b>22,264,624</b>	<b>30,623,596</b>	<b>-</b>	<b>52,888,220</b>
Share of profit/(loss) for the period	2,779,155	4,197,637	-	6,976,792
Dividends received	-	(82,326)	-	(82,326)
<b>Balance at 31 March 2018</b>	<b>25,043,779</b>	<b>34,738,907</b>	<b>-</b>	<b>59,782,686</b>

As of 31 March 2018, The Group has interests in the following jointly controlled entities:

- EGRES-2 – 50%. The remaining 50% interest is owned by Inter-RAO UES OJSC.
- Forum Muider B.V. – 50%. The remaining 50% is owned by UC RUSAL.

100% of shares of EGRES-2 valued as of the date of the Guarantee contract in the amount of Tenge 10,582,636 thousand were pledged as collateral for the loan of EGRES-2 JSC taken from Eurasian Development bank.

In 2014 EGRES-2 declared dividends in the amount of Tenge 3,000,000 thousand for the year of 2013. During 2016, EGRES-2 withdrew previously announced dividends.

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**8 Investments in Joint Ventures and Associates (continued)**

Presented below is summarised financial information of joint ventures and associate at 31 March 2018 and 31 December 2017 and for the years then ended:

<i>In thousands of Kazakhstan Tenge</i>	<b>EGRES-2</b>		<b>Forum Muider</b>		<b>EGRES-2</b>	
	<b>31 March 2018</b>	<b>31 December 2017</b>	<b>31 March 2018</b>	<b>31 December 2017</b>	<b>31 March 2018</b>	<b>31 December 2017</b>
Total current assets	10,821,806	9,746,166	29,072,191	21,791,864	-	397,587
<b>Total non-current assets</b>	133,502,219	151,882,745	66,800,461	62,435,065	-	71,256,098
Total current liabilities	(5,497,654)	(39,236,931)	(19,033,541)	(22,918,189)	-	(16,501,609)
<b>Total non-current liabilities</b>	(88,738,816)	(58,770,722)	(7,361,295)	(8,258,964)	-	-
<b>Net assets</b>	<b>50,087,555</b>	<b>63,621,258</b>	<b>69,477,816</b>	<b>53,049,776</b>	-	<b>55,152,076</b>
<b>Group's share</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	-	<b>49.99%</b>
<b>Group's share in net assets</b>	<b>25,043,778</b>	<b>31,810,629</b>	<b>34,738,908</b>	<b>26,524,888</b>	-	<b>27,570,523</b>
Revenue	11,155,949	31,480,140	109,907,455	86,856,373	-	-
<b>Profit/(loss) before tax</b>	<b>5,691,949</b>	<b>1,901,514</b>	<b>27,349,394</b>	<b>14,030,882</b>	-	<b>(4,968,327)</b>
<b>Total comprehensive income/(loss)</b>	<b>5,558,309</b>	<b>1,575,366</b>	<b>20,961,580</b>	<b>12,039,330</b>	-	<b>(4,968,327)</b>

The only reconciling difference between the above amounts and the carrying amount of the investments in associates and joint ventures is the elimination of the ownership interest held by the other investors in the associates and joint ventures.

Transactions and balances with joint ventures are presented in Note 5.

**9 Other Non-Current Assets**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Long-term receivables	11,525,894	11,660,781
Bonds	1,940,767	1,972,522
Restricted cash	-	880,539
Long-term deposits	60,500	60,500
<b>Total financial other non-current assets</b>	<b>13,527,161</b>	<b>14,574,342</b>
Prepayments for non-current assets	3,938,540	2,281,225
Non-current VAT recoverable	1,013,112	1,013,112
Other	121,899	122,575
<b>Total other non-current assets</b>	<b>18,600,712</b>	<b>17,991,254</b>

As of 31 March 2018 long-term receivables amounted to Tenge 11,525,894 thousand represents receivables from buyers of Group's subsidiaries, that were sold during 2017. Long-term receivables are denominated in Tenge. As of 31 March 2018 long-term receivables neither past due nor impaired.

*Prepayments for non-current assets*

Gross amount of other non-current assets includes advances and prepayments for the following types of construction and property, plant and equipment:

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Construction and reconstruction of substations in Almaty and Almaty region	3,069,416	1,342,245
Modernisation of Shardara GES	795,769	874,625
Construction of administrative building	-	-
Other	73,355	64,355
<b>Total prepayments for non-current assets</b>	<b>3,938,540</b>	<b>2,281,225</b>

**10 Inventories**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Auxiliary production materials	4,428,484	4,751,852
Fuel	3,584,727	4,282,461
Spare parts	1,045,008	699,766
Raw materials	27,128	23,695
Other materials	533,883	315,333
Less: provision for write down to net realisable value and provision for slow-moving and obsolete inventories	(845,022)	(1,026,184)
<b>Total inventories</b>	<b>8,774,208</b>	<b>9,046,923</b>

Presented below is movement in the Group's inventory provision:

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2018</b>	<b>2017</b>
Provision, 1 January	(1,026,184)	974,193
Provision reversed	180,186	(72,170)
Accrual of provision	-	287,811
Transfer to assets held for sale	-	-
Inventories written off during the year	976	(163,650)
<b>Provision for impairment at 31 March</b>	<b>(845,022)</b>	<b>1,026,184</b>

## 11 Trade and Other Receivables

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Trade receivables	26,858,771	23,997,452
Less: impairment provision	(591,953)	(198,281)
<b>Total financial trade receivables</b>	<b>26,266,818</b>	<b>23,799,171</b>
Other receivables	5,760,365	4,016,576
Less: impairment provision	(3,691,502)	(3,858,920)
<b>Total trade and other receivables</b>	<b>28,335,681</b>	<b>23,956,827</b>

As of 31 March 2018 the receivable from Maikuben West LLP was fully impaired for the amount of Tenge 3,477,982 thousand (2017: Tenge 3,477,982 thousand).

As of 31 March 2018 trade receivable amounted to Tenge 3,171,826 thousand is denominated in Russian Rubble (31 December 2017: Tenge 2,578,046 thousand).

## 12 Other Current Assets

<i>In thousands of Kazakhstan tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Restricted cash	5,465,838	6,760,611
Term deposits	2,798,751	5,005,848
Other receivables	-	1,726,568
Dividends receivable	91,031	1,281,082
Other	48,828	23,732
Less: impairment provision	(328,427)	(328,427)
<b>Total financial other current assets</b>	<b>8,817,551</b>	<b>14,469,414</b>
Advances to suppliers	5,715,146	595,911
Assets held for the benefit of the Shareholder	1,342,046	1,388,077
VAT recoverable and prepaid taxes	392,939	1,073,542
Other	1,065,103	1,392,286
Less: impairment provision	(206,259)	(388,211)
<b>Total other current assets</b>	<b>16,384,996</b>	<b>18,531,019</b>

Restricted cash represents cash received from electricity sales placed to the pledge account according to the loans agreement with the Development Bank of China in the amount of Tenge 5,136,563 thousand (31 December 2017: Tenge 6,419,624 thousand). Management believes that it will be able to use this cash not only for the repayment of loans and interest, but also for covering its operating expenses. Restricted cash balances in the amount of Tenge 5,136,563 thousand are denominated in US dollars. Amount is neither past due nor impaired. Carrying amount of restricted cash approximates its fair value.

On behalf of the Shareholder, the Group has made a commitment for the construction of a kindergarten in Astana for the amount of Tenge 1,174,068 thousand. The Group has accrued liability for the estimated amount of construction for amount of Tenge 1,174,068 thousands as other distributions to shareholder. As at 31 March 2018, the Group incurred expenses associated with the construction of a kindergarten of Tenge 1,342,046 thousands. These actually incurred expenses are recorded as current assets held for the benefit of shareholders, as it is expected that these assets will be transferred to the shareholder during 2018 as the distribution of income to the shareholder pursuant to the decision of the shareholder.

**13 Cash and Cash Equivalents**

<i>In thousands of Kazakhstan tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Deposits on demand	6,270,385	23,665,974
Cash at current bank accounts	13,551,472	9,040,676
Cash on hand	16,777	12,393
Less: impairment provision	(2,187,394)	-
<b>Total cash and cash equivalents</b>	<b>17,651,240</b>	<b>32,719,043</b>

Term deposits and current deposits have contractual maturity terms less than three months or are available on demand. Cash and cash equivalents balances are denominated in the following currencies:

<i>In thousands of Kazakhstan tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Kazakhstani Tenge	16,121,422	23,276,716
US Dollar	2,442,848	8,148,596
Other currencies	1,274,364	1,293,731
Less: impairment provision	(2,187,394)	-
<b>Total cash and cash equivalents</b>	<b>17,651,240</b>	<b>32,719,043</b>



**14 Non-current Assets Held for Sale and Disposal Groups**

On 23 of November 2016 the Board of Directors approved the terms of sale a number of subsidiaries in accordance with the Decree of the Government on the privatization of assets. As of 31 March 2018 all assets and liabilities of Tegis Munai LLP (“TM”), and its subsidiary Mangyshlak Munai LLP (“MM”) have been included in assets held for sale. In addition, on 13 September 2016, management of Almaty Power Station JSC approved plan on realisation of Corporate Study Centre and Talgar HPP.

Since the operations of MM and TM represented separate major types of the Group's operations, these disposal groups are presented as discontinued operations in the consolidated financial statements.

Major classes of assets classified as disposal group are as follows:

<i>In thousands of Kazakhstan tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Property, plant and equipment	81,582	96,529
Intangible assets	-	-
Exploration assets	14,103,005	14,086,775
Other non-current assets	620,308	619,332
Deferred tax assets	-	-
Inventory	3,207	3,440
Trade receivables	-	-
Other current assets	2,625	2,248
Cash and cash equivalents	2,314	11,601
<b>Total assets classified as or disposal groups</b>	<b>14,813,041</b>	<b>14,816,829</b>
Employee benefits	-	-
Borrowings	-	-
Deferred income tax liability	-	-
Other liabilities	21,267	16,047
Trade payables	59,579	56,859
<b>Total liabilities directly associated with disposal groups classified as held for sale</b>	<b>80,846</b>	<b>72,906</b>

**15 Equity**

<i>Share capital</i>	<b>Issue date</b>	<b>Number of authorised and issued shares</b>	<b>Value per share, Tenge</b>	<b>Share Capital, (thousands of Tenge)</b>
<b>Balance at 1 January 2017</b>		<b>5,585,723</b>		<b>355,650,405</b>
Оплата неоплаченной части предыдущих эмиссий:				
15-я эмиссия акций	1 апреля 2016	10,964	1,000,044	10,964,483
16-я эмиссия акций	14 июля 2016	2,239	1,340,000	3,000,260
17-я эмиссия акций	23 августа 2016	2,761	1,340,000	3,699,740
<b>Balance at 1 December 2017</b>		<b>5,601,687</b>		<b>373,314,888</b>
<b>Balance at 31 March 2018</b>		<b>5,601,687</b>		<b>373,314,888</b>

At 31 March 2018 5,601,687 issued common shares were fully paid (31 December 2017: 5,601,687 shares fully paid). Each ordinary share carries one vote.

**15 Equity (continued)**

	31 March 2018		31 December 2017	
	Samruk-Kazyna	Total	Samruk-Kazyna	Total
Number of paid common shares	5,601,687	5,601,687	5,601,687	5,601,687
% of ownership	100%	100%	100%	100%
<b>Total share capital</b>	<b>373,314,888</b>	<b>373,314,888</b>	<b>373,314,888</b>	<b>373,314,888</b>

**Other reserves**

	Merger reserve	Results of transactions with shareholders	Other comprehensive loss	Total
<i>In thousands of Kazakhstan Tenge</i>				
<b>Balance at 1 January 2017</b>	<b>37,282,287</b>	<b>90,607,549</b>	<b>(250,459)</b>	<b>127,639,377</b>
Прочий совокупный убыток	-	-	(93,247)	(93,247)
<b>Balance at 31 December 2017</b>	<b>37,282,287</b>	<b>90,607,549</b>	<b>(343,706)</b>	<b>127,546,130</b>
Прочий совокупный убыток	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>37,282,287</b>	<b>90,607,549</b>	<b>(343,706)</b>	<b>127,546,130</b>

*Merger reserve and results of transactions with shareholders*

The merger reserve represents the difference between the carrying amount of net assets of subsidiaries transferred under common control, as well as the difference between fair value of consideration transferred and non-controlling interest in acquisition of non-controlling interest from minority shareholders.

On 25 December 2015 the loan agreement was significantly amended in accordance with the amendment #369, the interest rate on the principal amount was reduced from 9% to 1% per annum. At the date when loan conditions changed the market rate was 12.8% per annum. The Group recognised a gain on initial recognition of the loan in the amount of 72,581,903 thousands tenge as part of other reserves. Management believes that by providing a loan at a rate below market, Samruk-Kazyna acted as the Group's shareholder. Gain on initial recognition of the loan was recorded as the difference between the nominal value and fair value at the recognition date.

**16 Borrowings**

*In thousands of Kazakhstan Tenge*

	<b>31 March 2018</b>	<b>31 December 2017</b>
<b>Non-current portion</b>		
Bank term loans	186,242,165	233,726,534
Loans from Samruk-Kazyna	56,076,816	57,350,980
Bonds issued	49,501,430	19,921,800
Loans from customers	1,535,567	1,574,844
<b>Total non-current borrowings</b>	<b>293,355,978</b>	<b>312,574,158</b>
<b>Current portion</b>		
Bank term loans	33,102,476	41,276,690
Loans from Samruk-Kazyna	2,729,888	2,608,862
Bonds issued	4,413,799	924,444
Loans from customers	430,882	652,532
Notes payable	450,358	450,358
<b>Total current borrowings</b>	<b>41,127,403</b>	<b>45,912,886</b>
<b>Total borrowings</b>	<b>334,483,381</b>	<b>358,487,044</b>

**17 Other Non-Current Liabilities**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Trade payables	2,224,502	2,257,670
Obligations under finance lease	455,429	-
<b>Total financial other non-current liabilities</b>	<b>2,679,931</b>	<b>2,257,670</b>
Deferred income	1,788,286	1,849,314
Other	335,525	336,232
<b>Total other non-current liabilities</b>	<b>4,803,742</b>	<b>4,443,216</b>

Trade payable of Tenge 2,224,502 thousand represents the Group's non-current payable to contractors for modernisation of Shardarinskaya HPP JSC. Trade payable is denominated in Euro as of 31 March 2018 and as of 31 December 2017.

Deferred income represents the difference between the nominal value of loans from customers received by AZhK and MREK for construction and reconstruction of power transmission lines and infrastructure to connect to electricity transmission lines and the fair value of these loans at initial recognition. The associated deferred income is subsequently recognised in profit or loss over the useful lives of property, plant and equipment.

Presented below is movement of deferred income:

<i>In thousands of Kazakhstan Tenge</i>	<b>AZhK</b>	<b>MEDC</b>	<b>Total</b>
Balance at 1 January 2016	2,297,371	-	2,297,371
Reclassification of disposal group	-	-	-
Change in the carrying amount of loans from customers adjusted against deferred income	(119,861)	-	(119,861)
Recognition of income	(328,196)	-	(328,196)
<b>Balance at 31 December 2017</b>	<b>1,849,314</b>	<b>-</b>	<b>1,849,314</b>
Reclassification of disposal group	-	-	-
Change in the carrying amount of loans from customers adjusted against deferred income	(61,028)	-	(61,028)
Recognition of income	-	-	-
<b>Balance at 31 March 2018</b>	<b>1,788,286</b>	<b>-</b>	<b>1,788,286</b>

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**18 Trade and Other Payables**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Trade payables	12,395,505	9,602,687
Payable to Almaty Akimat	5,841,513	5,841,513
Dividends payable	771,992	774,653
Other financial payables	832,447	939,210
<b>Total financial trade payables</b>	<b>19,841,457</b>	<b>17,158,063</b>
Advances received from customers	1,744,805	2,094,737
Accrued provisions for unused vacations	2,049,081	1,826,821
Other payables	1,119,892	1,355,122
Salaries payable	1,075,623	1,288,728
Other distributions to shareholder	1,174,066	1,174,066
<b>Total trade and other payables</b>	<b>27,004,924</b>	<b>24,897,537</b>

**19 Revenue**

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2018</b>	<b>1 quarter 2017</b>
Sale of electricity	59,858,565	49,621,389
Sale of heat energy	9,798,652	6,841,257
Income from lease of renewable energy power plants	1,243,207	1,394,490
Electricity transmission	1,559,762	880,184
Income from lease of investment property	858,518	806,651
Sale of chemical water	432,398	381,770
Other	18,991	277,956
<b>Total revenue</b>	<b>73,740,093</b>	<b>60,203,696</b>

## 20 Cost of Sales

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2018</b>	<b>1 quarter 2017</b>
Fuel	18,469,127	14,080,070
Depreciation of property, plant and equipment and amortisation of intangible assets	11,743,155	11,139,926
Payroll and related expenses	6,034,027	5,562,590
Electricity transmission and other services	2,492,362	2,762,328
Cost of purchased electricity	1,859,798	1,044,732
Taxes other than on income	2,416,147	1,912,454
Third party services	1,877,025	1,491,705
Water supply	1,087,991	900,786
Repairing and maintenance	798,828	635,532
Materials	531,074	319,122
Security services	254,959	245,845
Rent services	47,045	45,944
Electricity losses on transmission	20,356	23,245
Accrual/(reversal) of provision on obsolete and slow-moving inventories	(180,186)	(33,416)
Other	675,104	647,038
<b>Total cost of sales</b>	<b>48,126,812</b>	<b>40,777,901</b>

## 21 General and Administrative expenses

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2018</b>	<b>1 quarter 2017</b>
Payroll and related expenses	1,379,358	1,323,612
Consulting and other professional services	545,565	408,051
Depreciation of property, plant and equipment and amortisation of intangible assets	260,606	277,718
Rent expense	162,143	153,542
Taxes other than on income	174,244	129,357
Bank charges	21,961	66,939
Security services	65,553	62,055
Business trips and representative expenses	40,926	33,928
Materials	39,869	47,421
Repair and maintenance	39,539	34,360
Communication expenses	29,417	26,929
Insurance	25,384	24,186
State duties	18,708	8,880
Transportation	4,919	7,439
Recovery/(charge) of provision for impairment of trade and other receivables and other current assets	180,211	35,862
Other	224,312	292,028
<b>Total general and administrative expenses</b>	<b>3,212,715</b>	<b>2,932,307</b>

## 22 Finance Income

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2018</b>	<b>1 quarter 2017</b>
Foreign exchange gains less losses	1,746,799	11,394,930
Interest income on bank deposits	426,784	677,881
Interest income on bonds	-	3,239
Amortization of discount on accounts receivable	200,119	-
Other	46,795	32,611
<b>Total finance income</b>	<b>2,420,496</b>	<b>12,108,661</b>

## 23 Finance Costs

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2018</b>	<b>1 quarter 2017</b>
Interest expense on borrowings	7,016,770	1,986,100
Interest expense on bonds	654,203	2,971,032
Unwinding of the present value of discount:		
- loans and financial aids from shareholders	1,106,947	891,496
- ash dump restoration provision	38,005	9,131
- loans from customers	62,077	68,388
- employee benefit	31,581	7,505
- notes payable	-	-
- bonds issued	-	33,061
Impairment of bank deposits	2,123,685	-
Dividends on preference shares of subsidiaries	35,277	35,275
Other	453,616	68,280
<b>Total finance costs</b>	<b>11,522,161</b>	<b>6,070,268</b>



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**24 Taxes**

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2018</b>	<b>1 quarter 2017</b>
Current income tax expense	2,732,831	1,259,061
Deferred income tax expense	480,301	1,319,175
<b>Total income tax expense</b>	<b>3,213,132</b>	<b>2,578,236</b>

Reconciliation between the expected and the actual taxation charge is provided below:

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2018</b>	<b>1 quarter 2017</b>
<b>Profit before tax from under IFRS</b>	<b>15,957,260</b>	<b>24,707,162</b>
Theoretical tax expense at statutory rate of 20% (2017: 20%)	3,191,452	4,941,432
Adjustments for:		
Share in profit of joint ventures and associates not subject to income tax	(1,390,202)	924,677
Other non-deductible expenses	110,980	(2,363,196)
Adjustment of prior years income tax	-	7,471
Withholding tax	21,950	(6,572)
Temporary differences that will be recognised upon termination of investment contract	66,025	-
Loss of Moinak HPS exempted from income tax	(578,059)	-
Changes in unrecognised deferred income tax assets	1,790,986	(925,576)
<b>Total income tax expense</b>	<b>3,213,132</b>	<b>2,578,236</b>

**24 Taxes (continued)**

**Taxes payable**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
Income tax	2,139,275	369,334
<b>Income tax payable</b>	<b>2,139,275</b>	<b>369,334</b>
Environmental taxes	1,188,388	937,870
VAT	1,856,039	899,428
Individual income tax	169,110	335,699
Social tax	143,236	294,398
Other taxes	91,088	133,348
<b>Taxes payable other than income tax</b>	<b>3,447,861</b>	<b>2,600,743</b>
<b>Total taxes payable</b>	<b>5,587,136</b>	<b>2,970,077</b>

## **25 Contingencies, Commitments and Operating Risks**

### ***Political and economic situation in the Republic of Kazakhstan***

In general, the economy of the RoK continues to display characteristics of an emerging market. Its economy is particularly sensitive to prices on oil and gas prices and other commodities, which constitute major part of the country's export. These characteristics include, but are not limited to, the existence of national currency that is not freely convertible outside of the country and a low level of liquidity of debt and equity securities in the markets.

Low prices on oil and other commodities, volatility of exchange rate have caused and may continue to cause negative impact on the economy of the RoK, including decrease in liquidity and creation of difficulties in attracting of international financing.

On 20 August 2015 the National Bank and the Government of the RoK made a resolution about discontinuation of supporting the exchange rate of Tenge and implement of new monetary policy, which is based on inflation targeting regime, cancellation of exchange rate trading band and start a free floating exchange rate. As the result, during the period of August-December 2015 the exchange rate of Tenge has varied from 187 to 350 tenge per 1 US Dollar. As of the date of this report, the official exchange rate of the Kazakhstan Stock Exchange was 321.98 tenge per US dollar compared to Tenge 332.33 per US dollar as of 31 December 2017 (31 December 2016: Tenge 333.29 for 1 US dollar). Thus, there is uncertainty about the exchange rate of tenge, as well as the impact of this factor on the economy of the RoK.

The energy sector in the RoK is still impacted by political, legislative, fiscal and regulatory developments. The prospects for future economic stability in the RoK are largely dependent upon the effectiveness of economic measures undertaken by the Government, together with legal, controlling and political developments, which are beyond the Company's control.

Management determined impairment provisions by considering the economic situation and outlook at the end of the reporting period. Provisions for trade and other receivables are determined using the 'incurred loss' model required by the applicable accounting standards. These standards require recognition of impairment losses for receivables that arose from past events and prohibit recognition of impairment losses that could arise from future events, no matter how likely those future events are.

The Group has the strategic importance for the RoK, since it combines the entities of electricity and energy complex providing the population and industrial entities with the electricity. The Government of the RoK has adopted the long-term energy sector development program envisaging the construction of new and reconstruction of the current power stations. The management expects that the Group will be supported by the Government of the RoK, since the electricity energy sector is the strategically important part of the country's economy.

Management believes it is taking all the necessary measures to support the sustainability and development of the Group's business.

## **25 Contingencies, Commitments and Operating Risks (continued)**

### ***Tax legislation***

The tax conditions in the Republic of Kazakhstan are changeable and subject to inconsistent application, and interpretation. Discrepancies in the interpretation of Kazakh laws and regulations by the Group and Kazakhstan's authorized bodies may result in imposition of additional taxes, fines and penalties.

Kazakhstani tax legislation and practice is in a state of continuous development and therefore is subject to varying interpretations and frequent changes, which may be retroactive. Further, the interpretation of tax legislation by tax authorities as applied to the transactions and activities of the Company may not coincide with that of management. As a result, transactions may be challenged by tax authorities and the Company may be assessed additional taxes, penalties and interest. Tax periods remain open to retroactive review by the tax authorities for five years. In some cases tax reviews might cover the period of more than five years.

The Group's management believes that its interpretation of the relevant legislation is appropriate and the Group's tax, currency legislation and customs positions will be sustained. In the opinion of the Group's management, no material losses will be incurred in respect of existing and potential tax claims in excess of provision that have been made in these consolidated financial statements.

### ***Legal cases***

The Group participates in other litigations arising in the ordinary course of business. Management believes that at present there are no ongoing litigation or outstanding claims, the results of which could have a material adverse effect on the future financial standing of the Group.

### ***Insurance***

The insurance market in the RoK is at the stage of early development, and many types of insurance that are widespread in other countries are not available in Kazakhstan. The Group does not have full insurance protection with respect to its production premises, losses caused by stoppage of operations or liabilities payable to third parties due to damage caused to real estate or environment as a result of accident or Group's operations. Unless the Group has a full insurance coverage, there is a risk that loss or damage of particular assets might have material adverse effect on the Group's operations and financial position.

### ***Environmental matters***

The enforcement of environmental regulation in the RoK is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage in addition to the amounts already accrued and recorded in these consolidated financial statements that could adversely affect operational results or financial position of the Group.

### ***Provision for liquidation of ash dump***

In accordance with the environmental regulations the Group has a legal obligation to liquidate ash dumps that are disposal polygons of waste of operations of the Group. At 31 March 2017 the carrying amount of ash dump liquidation provision was 2,534,928 thousands tenge (31 December 2017: 2,404,270 thousands tenge)

Ash dump liquidation provision is estimated based on the Group's interpretation of current environmental legislation in the RoK supported by the feasibility study and engineering researches in accordance with the existing rehabilitation standards and techniques. This estimate may change upon completion of subsequent environmental investigation works and revision of the existing restoration and reclamation programmes.

## 26 Non-Controlling Interest

The following table provides information about each subsidiary that has non-controlling interest that is material to the Group:

<i>In thousands of Kazakhstan Tenge</i>	Place of business (and country of incorporation if different)	Proportion of non- controlling interest	Proportion of non- controlling interest's voting rights held	Profit or loss attributable to non- controlling interest	Accumulated non- controlling interest in the subsidiary	Dividends paid to non- controlling interest during the year
<b>Period ended 31 March 2018</b>						
Bukhtarminskaya HPS	Казахстан	9%	9%	67,498	979,571	2,661
Shulbinskaya HPS	Казахстан	8%	8%	(443)	28,406	-
Ust-Kamenogorskaya HPS	Казахстан	10%	10%	(82)	4,151	-
ES	Казахстан	49%	49%	(9,471)	(246,986)	-
<b>TOTAL</b>				<b>57,502</b>	<b>765,142</b>	<b>2,661</b>
<b>Year ended 31 December 2017</b>						
Bukhtarminskaya HPS	Казахстан	9%	9%	263,762	1,002,703	234,640
Shulbinskaya HPS	Казахстан	8%	8%	(1,853)	28,849	-
Ust-Kamenogorskaya HPS	Казахстан	10%	10%	(189)	4,233	-
MEDC	Казахстан	-	-	460,567	-	66,150
ES	Казахстан	49%	49%	(41,501)	(237,515)	-
<b>TOTAL</b>				<b>680,786</b>	<b>707,640</b>	<b>300,790</b>

**26 Non-Controlling Interest (continued)**

<i>In thousands of Kazakhstan Tenge</i>	<b>Current assets</b>	<b>Non-current assets</b>	<b>Current liabilities</b>	<b>Non-current liabilities</b>	<b>Revenue</b>	<b>Profit/ (loss)</b>	<b>Total compre- hensive income</b>	<b>Cash flows</b>
<b>Period ended 31 March 2018</b>								
Bukhtarminskaya HPS	2,907,709	1,195,330	353,727	154,209	828,887	674,981	674,981	(356,345)
Shulbinskaya HPS	-	-	540,822	6,730	-	(5,635)	(5,635)	-
Ust-Kamenogorskaya HPS	-	-	105,093	6,563	-	(821)	(821)	-
ES	26,900	238,289	771,939	-	-	(19,329)	(19,329)	(7,049)
<b>TOTAL</b>	<b>2,934,609</b>	<b>1,433,619</b>	<b>1,771,581</b>	<b>167,502</b>	<b>828,887</b>	<b>649,196</b>	<b>649,196</b>	<b>(363,394)</b>
<b>Year ended 31 December 2017</b>								
Bukhtarminskaya HPS	2,230,901	1,194,857	357,392	154,916	3,288,379	2,637,620	2,637,620	226,457
АО «Шульбинская ГЭС»	-	-	535,640	6,277	-	(23,579)	(23,579)	-
Ust-Kamenogorskaya HPS	-	-	104,729	6,107	-	(1,885)	(1,885)	-
ES	33,255	230,254	750,925	-	-	(84,696)	(84,696)	4,919
MEDC	-	-	-	-	9,307,345	3,580,283	3,580,283	127,285
<b>TOTAL</b>	<b>2,264,156</b>	<b>1,425,111</b>	<b>1,748,686</b>	<b>167,300</b>	<b>12,595,724</b>	<b>6,107,743</b>	<b>6,107,743</b>	<b>358,661</b>

**27 Principal Subsidiaries, Associates and Joint Venture**

<b>Name</b>	<b>Nature of business</b>	<b>Percentage of voting rights</b>	<b>Percentage of ownership</b>	<b>Country of registration</b>
<b>Subsidiaries:</b>				
<i>Alatau Zharyk Company JSC ("AZhK")</i>	Electricity transmission and distribution in Almaty and the Almaty region	100%	100%	Kazakhstan
<i>Almaty Power Stations JSC ("ALES")</i>	Production of electricity, heat energy and hot water in Almaty and the Almaty region	100%	100%	Kazakhstan
<i>AlmatyEnergoSbyt LLP ("AlmatyEnergoSbyt")</i>	Sale of electricity in Almaty city and region	100%	100%	Kazakhstan
<i>Shardara HPS JSC ("Shardara HPS")</i>	Production of electricity on the basis of water resources in the Southern Kazakhstan	100%	100%	Kazakhstan
<i>Moinak HPS JSC ("Moinak HPS")</i>	Production of electricity on hydropower station	100%	100%	Kazakhstan
<i>Ekibastuzskaya GRES-1 named after Bulat Nurzhanov ("EGRES-1")</i>	Production of electricity and heat energy on the basis of coal	100%	100%	Kazakhstan
<i>Bukhtarminskaya HPS JSC ("Bukhtarminskaya HPS")</i>	Owner of Bukhtarminskaya hydropower station transferred under lease arrangement	91%	91%	Kazakhstan
<i>Ust-Kamenogorskaya HPS JSC and Shulbinskaya HPS JSC (together referred to as "Hydropower companies")</i>	Owners of Ust-Kamenogorskaya and Shulbinskaya hydropower stations transferred under concession agreement. From the moment of transfer of the hydropower stations to concession, these entities are dormant	90%	90%	Kazakhstan
<i>Samruk Green Energy LLP</i>	Development of renewable electricity	100%	100%	Kazakhstan
<i>First Wind Turbine LLP</i>	Development of renewable electricity. Production of electricity on wind farm.	100%	100%	Kazakhstan
<i>Ereymentau Wind Power LLP</i>	Construction of a wind plant.	100%	100%	Kazakhstan
<i>Energiya Semirechiya LLP ("ES")</i>	Finalized construction of Solar plant near Almaty	51%	51%	Kazakhstan
<i>KazGidroTekhEnergO LLP</i>	Development of renewable electricity	100%	100%	Kazakhstan
<i>TeploEnergOMash LLP</i>	Development of renewable electricity	100%	100%	Kazakhstan
<i>Energy Solutions Center LLP</i>	Transportation and other services	100%	100%	Kazakhstan
<b>Associates:</b>				
<i>Balkhashskaya TES</i>	Construction of Balkhash thermal power station	50% -1 share	50% -1 share	Kazakhstan
<b>Joint ventures:</b>				
<i>Stantciya Ekibastuzskaya GRES-2 JSC ("EGRES-2")</i>	Production of electricity and heat energy on the basis of coal	50%	50%	Kazakhstan
<i>Forum Muider BV («Forum Muider»)</i>	Company holding 100% charter in <i>Bogatyr Komir</i> (Company involved in production of power generating coal) and a range of companies incorporated in the Russian Federation and the Republic of Cyprus, and not engaged in significant operations	50%	50%	Netherlands
<b>Discontinued</b>				
<i>Tegis Munai LLP and Mangyshlak Munai LLP</i>	Gas field exploration and development activities	100%	100%	Kazakhstan

## 28 Fair Value of Financial Instruments

### Fair value estimation

The results of the fair value measurement are analyzed and distributed according to the levels of the fair value hierarchy as follows: (i) Levels are estimates for market quotations (uncorrected) in active markets for identical assets or liabilities, (ii) to Level 2 - in which all the significant inputs used are observable for the asset or liability directly (i.e., for example, prices) or indirectly (i.e., for example, derivatives of the price), and (iii) Level 3 estimates are estimates that are not based on observable market data (i.e. based on unobservable inputs). When assigning financial instruments to a category in the fair value hierarchy, management uses judgments. If the observable data are used in estimating fair value, which require significant adjustments, then it refers to Level 3. The significance of the data used is assessed for the entirety of the fair value measurement.

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

<i>In thousands of Kazakhstan Tenge</i>	31 March 2018				31 December 2017			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value
<b>ASSETS</b>								
Cash and cash equivalents	-	17,651,240	-	17,651,240	-	32,719,043	-	32,719,043
Restricted cash	-	6,478,950	-	6,478,950	-	7,312,723	-	7,312,723
Term deposit	-	2,885,926	-	2,885,926	-	5,066,348	-	5,066,348
Financial receivables	-	26,266,818	-	26,266,818	-	23,799,171	-	25,525,739
Long term receivables	-	11,660,781	-	11,660,781	-	11,660,781	-	11,660,781
Dividends receivable	-	-	91,031	91,031	-	-	1,281,082	1,281,082
Fair value of future minimum lease payments on operating lease	-	-	6,379,840	506,072	-	-	9,607,937	531,852
Bonds	1,940,767	-	-	1,940,767	1,972,522	-	-	1,972,522
<b>Total Financial assets</b>	<b>1,940,767</b>	<b>64,943,715</b>	<b>6,470,871</b>	<b>67,481,585</b>	<b>1,972,522</b>	<b>82,632,643</b>	<b>10,889,019</b>	<b>86,441,831</b>
<b>LIABILITIES</b>								
Borrowings	20,861,001	293,142,362	-	334,483,381	21,646,338	321,133,901	-	358,487,044
Financial payables	-	19,841,457	-	19,841,457	-	17,158,063	-	17,158,063
Non-current trade payables	-	2,224,502	-	2,224,502	-	2,257,670	-	2,257,670
Other financial liabilities	-	-	-	-	-	-	-	-
<b>Total Financial liabilities</b>	<b>20,861,001</b>	<b>315,208,321</b>	<b>-</b>	<b>356,549,340</b>	<b>21,646,338</b>	<b>340,549,634</b>	<b>-</b>	<b>377,902,777</b>



## **28 Fair Value of Financial Instruments (continued)**

The fair value measurement at Level 2 and Level 3 of the fair value hierarchy was performed using a discounted cash flow model. The fair value of financial instruments with floating interest rates that do not have quotations in an active market was adopted at an equal book value. The fair value of fixed interest instruments that do not have quotations in an active market is based on a discounted cash flow model using existing interest rates in the borrowing market for new instruments that involve a similar credit risk and a similar maturity.

**Financial assets carried at amortised cost.** The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on the credit risk of the counterparty. The carrying amounts of cash and cash equivalents, term deposits, restricted cash, bonds and financial receivables approximate to their fair values.

**Financial liabilities carried at amortised cost.** The estimated fair value of level 3 fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Due to the short-term nature of trade payables, their carrying amount approximates their fair value.

## **29 Events Occurring After the Reporting Period**

On April 24, 2018, "Samruk-Energy" JSC obtained a long-term loan for 1,500,000 thousand tenge from "Sberbank of Russia" SB JSC, with a 13% interest rate and a term of 2 years.

On April 25, 2018, "Samruk-Energy" JSC made a planned repayment of the interest of 1, 495,100 thousand tenge under the loan from the EBRD.