



**International Financial Reporting Standards
Condensed Separate Interim Financial Statements
(unaudited)**

31 March 2018

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SAMRUK-ENERGY JSC
Separate Statement of Financial Position

<i>In thousands of Kazakhstani Tenge</i>	Note	31 March 2018 (unaudited)	31 December 2017
ASSETS			
Non-current assets			
Property, plant and equipment		195,214	264,320
Intangible assets		1,669,124	935,329
Investments in subsidiaries and jointly controlled entities	6	504,747,972	504,428,843
Loans issued	7	12,362,872	12,279,695
Other non-current assets	8	13,044,398	13,164,208
Total non-current assets		532,019,580	531,072,395
Current assets			
Inventories		28,169	27,293
Loans issued	7	3,160,927	355,993
Other current assets	9	3,560,582	12,823,443
Cash and cash equivalents	10	1,422,598	14,142,829
Non-current assets held for sale	11	15,851,558	15,810,776
Total current assets		24,023,834	43,160,334
TOTAL ASSETS		556,043,414	574,232,729
EQUITY			
Share capital	12	373,314,888	373,314,888
Other reserves		91,668,501	91,668,501
Retained loss		(87,787,603)	(78,576,191)
TOTAL EQUITY		377,195,786	386,407,198
LIABILITIES			
Non-current liabilities			
borrowings	13	161,280,702	173,504,049
Other financial liabilities	21	2,631,857	2,262,892
Total non-current liabilities		163,912,559	175,766,941
Current liabilities			
Borrowings	13	12,021,021	9,437,246
Other payables and accrued liabilities		1,613,849	1,354,331
Liabilities to the shareholder		1,174,066	1,174,066
Other taxes payable		126,133	92,947
Total current liabilities		14,935,069	12,058,590
TOTAL LIABILITIES		178,847,628	187,825,531
TOTAL LIABILITIES AND EQUITY		556,043,414	574,232,729

Signed on behalf of the management on May 11, 2018

Moldabayev Kanysh Tanirbergenovich
Managing Director for Development and
Sales



Tulekova Saule Bekzadayevna
Director of Accounting and Tax
Accounting Department – Chief
Accountant

SAMRUK-ENERGY JSC
Separate Statement of Profit and Loss and Comprehensive Income

<i>In thousands of Kazakhstani Tenge</i>	Note	3 months ended 31 March 2018 (unaudited)	3 months ended 31 March 2017 (unaudited)
Dividend income	14	140,718	1,508,334
Other income		105,753	2,485
General and administrative expenses	15	(1,550,588)	(1,368,979)
Other expenses	16	(2,268,475)	-
Operating income		(3,572,592)	141,840
Finance income	17	912,981	9,249,107
Finance expense	18	(6,363,046)	(4,825,250)
Loss before tax		(9,022,657)	4,565,697
Income tax expense	19	(21,950)	(36,413)
Profit (loss) for the year		(9,044,607)	4,529,284
Total comprehensive profit/(loss) for the year		(9,044,607)	4,529,284

SAMRUK-ENERGY JSC
Separate Statement of Financial Position

<i>In thousands of Kazakhstani tenge</i>	Note	Share capital	Other reserves	Retained earnings/ (Retained loss)	Total equity
Balance as at 1 January 2017		373,314,888	91,668,501	(49,725,062)	415,258,327
Profit (loss) for the year		-	-	(22,195,213)	(22,195,213)
Total comprehensive profit/(loss) for the year		-	-	(22,195,213)	(22,195,213)
Other allocation of equity		-	-	(1,951,021)	(1,951,021)
Dividends accrued				(4,704,895)	(4,704,895)
Balance as at 31 December 2017		373,314,888	91,668,501	(78,576,191)	386,407,198
Loss for the period		-	-	(9,044,607)	(9,044,607)
Total comprehensive profit for the year		-	-	(9,044,607)	(9,044,607)
Adjustment in opening balance (IFRS 9)				(166,805)	(166,805)
Balance as at 31 March 2018		373,314,888	91,668,501	(87,787,603)	377,195,786

SAMRUK-ENERGY JSC
Separate Statement of Cash Flows

	Note	3 months ended 31 March 2018 (unaudited)	3 months ended 31 March 2017 (unaudited)
<i>(i) In thousands of Kazakhstani Tenge</i>			
Cash flows from operating activities:			
Cash proceeds, total		664,151	1,403,219
Interest received		557,755	977,234
Other proceeds		106,396	425,985
Cash outflow, total		(7,927,831)	(1,984,693)
Payments to suppliers for goods and services		(589,242)	(340,074)
Advances paid		(132,335)	(88,909)
Payments on wages		(436,257)	(384,561)
Payment of interests on loans received		(4,387,718)	(595,786)
Corporate income tax		(21,950)	(36,414)
Other payments to the budget		(42,922)	(50,543)
Other payments		(2,314,407)	(488,406)
Net cash used in operating activities		(7,263,680)	(581,474)
Cash flows from investment activities			
Cash proceeds, total		18,729,354	3,946,534
Dividends received		6,371,345	3,066,534
Return on bank deposits		12,358,009	790,000
Repayment of loans received		-	90,000
Cash outflows, total		(12,882,078)	(1,269,525)
Acquisition of property, plant and equipment and intangible assets		(67,168)	(28,696)
Borrowings and financial aid provided to subsidiaries and jointly controlled entities		(3,025,676)	(48,000)
Contribution to equity of subsidiaries		(359,910)	(1,192,829)
Placement of bank deposits		(9,429,324)	-
Net cash used in investment activities		5,847,276	2,677,009
Cash flows from financing activities			
Cash proceeds, total		1,500,000	3,402,000
Obtaining of bank loans		1,500,000	3,402,000
Cash outflow, total		(12,428,425)	(2,702,543)
Repayment of loans from Samruk-Kazyna		(2,381,109)	(2,381,109)
Repayment of loans from banks and other organizations		(9,942,816)	-
Other payments		(104,500)	(321,434)
Net cash flows (used in)/received from financial activities		(10,928,425)	699,457
Foreign exchange difference effect on cash and cash equivalents		(375,402)	(313,524)
Net (decrease)/increase in cash and cash equivalents		(12,720,231)	2,481,468
Cash and cash equivalents at the beginning of the year		14,142,829	4,812,476
Cash and cash equivalents at the end of the period		1,422,598	7,293,944

1 General information about "Samruk-Energy" JSC and its operations

These financial statements for the year ended 31 December 2017 were prepared in accordance with International Financial Reporting Standards (IFRS) for "Samruk-Energy" JSC (hereinafter – the Company).

The Company was established on 18 April 2007 and registered on 10 May 2007. The Company is a joint stock company set up in accordance with legislation of the Republic of Kazakhstan.

The Company's sole shareholder is Samruk-Kazyna Sovereign Wealth Fund JSC ("Samruk-Kazyna"), which holds 100% shares of the Company. The Company's ultimate controlling party is the Government of the Republic of Kazakhstan.

Principal activity

The Company is a holding company (the "Company"), including a number of companies (Note 6), which is engaged in production of electricity, heat and 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 hydro and thermal power plants, and lease of hydro power plants' property.

Registered address and the place of business of the Company

The Republic of Kazakhstan, Astana c., 15 A, Kabanbay Batyr ave.

Presentation currency

Unless otherwise stated, the figures in these financial statements are presented in Kazakhstan tenge ("tenge").

2 Basis of Preparation of financial statements and Significant Accounting Policies

Basis of preparation of financial statements

These separate condensed interim financial statements for three months ended 31 March 2018 were prepared in accordance with International Financial Reporting Standards (IFRS) 34 "Interim financial statements", using the historical cost convention, as adjusted for initial recognition of financial instruments at fair value. These separate condensed interim financial statements are subject to familiarization together with the Company's annual separate financial statements as of 31 December 2017 prepared in accordance with IFRS. The accounting policies used in the preparation of this condensed separate interim financial report are consistent with those accounting policies that were applied in the previous separate financial statements.

The Company has prepared this condensed separate interim financial statements for management.

Moreover, the Company has prepared consolidated financial statements in accordance with IFRS for the Company and its subsidiaries (the "Group"). In the consolidated financial statements, transactions of subsidiaries identified as companies in which the Group directly or indirectly holds more than half of the voting shares or in respect of which the Company is otherwise able to control their financial and operating policies, are fully consolidated. The consolidated financial statements of the Group can be obtained at the Company's office located at the following address: 15A, Kabanbay batyr avenue, the Republic of Kazakhstan, Astana.

Users should get familiar with these separate condensed interim financial statements together with the condensed consolidated interim financial statements as of and for the period ended December 31, 2018 in order to obtain complete information about the financial position.

Preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions. It also requires the management to use professional judgment in the process of applying the Company's accounting policies.

Currency exchange rates

As at 31 March 2018, the official exchange rate used to translate balances denominated in foreign currencies was KZT 318,31 tenge per US dollar (December 31, 2017: KZT 332.33 per US dollar). Currently, the Tenge is not a freely convertible currency outside the Republic of Kazakhstan.

3 New accounting pronouncements

New and amended standards and interpretations should be applied in the preparation of the first interim financial statements issued after their effective date

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 Company did not early accept.

IFRS 9 Financial Instruments: Classification and Measurement (as amended in July 2014, effective for annual periods beginning on or after 1 January 2018).

The main differences between the new standard are as follows:

- Financial assets must be classified in three valuation categories: subsequently measured at amortized cost, subsequently measured at fair value, the change of which is recognized in other comprehensive income and measured at fair value, the change of which is recognized in profit or loss.
- The classification of debt instruments depends on the company's business model for management of financial assets and on whether the contractual cash flows are payments for principal and interest only. If the debt instrument is intended to receive money, it can be accounted for at amortized cost, if it also only provides payments to the principal and interest. Debt instruments that only cover principal and interest payments and are held in a portfolio can be classified as subsequently measured at fair value within other comprehensive income if the organization holds them to receive cash flows from assets and sells the assets.
- Financial assets that do not contain cash flows that are only payments for principal and interest should be measured at fair value, the changes of which are recognized in profit or loss (for example, derivative financial instruments). Embedded derivatives are no longer separated from financial assets, but will be taken into account in assessing the condition that provides for only payments for the principal and interest.
- Investments in equity instruments should always be measured at fair value. In doing so, management may take a decision that is not subject to amendment, on reporting changes in fair value within other comprehensive income if an instrument is not intended for trading. If an equity instrument is held for trading, changes in fair value are recognized in profit or loss.
- Most of the requirements of IAS 39 for classification and measurement of financial liabilities have been transferred to IFRS 9 unchanged. The main difference is the requirement for the entity to disclose the effect of changes in its own credit risk on financial liabilities classified as recognized at fair value in profit or loss in other comprehensive income.
- IFRS 9 introduces the new model for recognition of impairment losses: a model of expected credit losses. There is a "three-step" approach based on changing the credit quality of financial assets from the moment of initial recognition. In practice, the new rules mean that organizations, upon initial recognition of financial assets, must immediately recognize losses in the amount of expected loan losses for the 12 months that are not loan impairment losses (or in the amount of expected credit losses for the entire period of a financial instrument for trade receivables). If there has been a significant increase in credit risk, the impairment is estimated based on expected credit losses for the entire life of the financial instrument, rather than on the basis of expected credit losses for 12 months. The model provides for operational simplification of trade receivables and finance lease receivables.

From January 1, 2018, the Company translated the accounting of financial instruments in accordance with IFRS 9 Financial Instruments: Classification and Measurement.

When moving to the new standard, the Company did not engage third-party consulting organizations. The Company analyzed classification of financial instruments, according to which the classification of the Company's financial assets and liabilities remains unchanged. Accounting for financial instruments is carried at amortized cost. A set of new standards, amendments to standards and interpretations is not effective as at 31 March of 2018. The requirements of these amended standards have not been considered when preparing these condensed separate interim financial statements. The Company plans to adopt these standards as they become effective. Currently, the Company has not yet completed the analysis of potential effect of these standards on its financial statements.

4 Important accounting estimates and professional judgments in applying accounting policies

The Company uses estimates and makes assumptions that affect the assets and liabilities presented in the statements during the next financial year. Estimates and judgments are subject to constant critical analysis and are based on past experience of the management and other drivers, including on expectations of future events that are believed to be reasonable under the circumstances.

Going concern principle.

Management prepared these separate financial statements on a going concern basis. The management decision is based on the financial position of the Company, its current intentions, profitability of operations and access to financial resources.

5 Settlements and transactions with related parties

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.

Related parties include companies controlled by Samruk-Kazyna. The Government controls over the Group. The Group decided to apply exemption from disclosure of information on individually insignificant transactions and settlement of account balances with the government and its related parties, as the Kazakhstani state controls, jointly controls or significantly influences on such parties. The Group purchases and delivers goods to a large number of organizations with state participation.

The definition of related parties is given in IAS 24 "Related Party Disclosures". Related parties are usually considered to be parties, if one of them has the ability to control the other, is under common control or can significantly influence or jointly control over the other party's making financial and operational decisions. When deciding whether the parties are related, the nature of the relationship between the parties is taken into account and not only their legal form. The Parent Company and the ultimate controlling party of the Company are disclosed in Note 1.

Related parties include companies controlled by Samruk-Kazyna. Transactions with state-owned companies are not disclosed if they are carried out in the ordinary course of business under conditions that are consistently applied to all public and private companies: i) when they are not individually significant; ii) if the Company's services are provided on standard terms accessible to all consumers, or iii) if there is no choice of provider of services such as electricity transmission services, telecommunications services, etc.

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

The outstanding balances with related parties as at 31 December 2017 are as follows:

<i>In thousands of Kazakhstani Tenge</i>	Note	Shareholder	Companies under common control	Subsidiaries and joint ventures
Loans issued to subsidiaries		-	-	8,895,543
Accounts receivable		-	-	28,657
Other current assets		-	-	-
Other asset in favor of the Shareholder		1,342,046	-	-
Other non-current assets		-	-	1,420,543
Interest receivable on loans issued		-	-	741,898
Dividends receivable		-	-	141,032
Related parties securities		-	-	4,551,626
Other payables and accrued liabilities		-	-	266,232
Accounts payable		-	2,923	-
Financial lease liabilities		518,693	-	-
Liability to shareholder		1,174,065	-	-
Borrowings		58,806,704	-	28,148,750

SAMRUK-ENERGY" JSC
Notes to Separate Interim Financial Statement – 31 March 2018

5 Settlements and transactions with related parties (continued)

At 31 December 2017, the outstanding balances on transactions with related parties were as follows:

<i>In thousands of Kazakhstani tenge</i>	Note	Shareholder	Companies under common control	Subsidiaries and joint ventures
Loans issued to subsidiaries		-	-	5,578,277
Accounts receivable		-	-	31,329
Other current assets		-	-	-
Other asset in favor of the Shareholder	9	1,387,077	-	-
Other non-current assets		-	-	1,378,374
Interest received on loans issued		-	-	695,834
Dividends receivable		-	-	6,380,082
Related parties securities		-	-	4,734,457
Other payables and accrued liabilities		-	-	263,858
Accounts payable		-	3,117	-
Liability to shareholder	19	1,174,066	-	-
Borrowings	16	59,959,841	-	28,165,278

The income and expense items with related parties for the quarter ended 31 March 2018 were as follows:

<i>In thousands of Kazakhstani tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Dividends income	-	-	140,718
Finance income	-	-	435,420
Finance expense	1,499,493	-	882,428
General and administrative expenses	-	6,590	129,302
Other income (expenses) -net	-	-	(4,253)

The income and expense items with related parties for the quarter ended 31 March 2017 were as follows:

<i>In thousands of Kazakhstani tenge</i>	Shareholder	Companies under common control	Subsidiaries and affiliates
Dividends income	-	-	1,508,334
Finance income	3,240	-	1,083,231
Finance expense	1,275,311	-	1,639,000
General and administrative expenses	-	10,249	112,379
Foreign exchange gains/ (losses) -net	-	-	10,564

Key executive staff remuneration for three months ended 31 March 2018 including salaries, bonuses and other short-term benefits to employees is 31,059 thousand tenge (for the year ended 31 December 2017: 233, 669 thousand tenge). Key executive staff at 31 March 2018 consists of 7 persons (31 December 2017: 10 persons).

SAMRUK-ENERGY" JSC
Notes to Separate Interim Financial Statement – 31 March 2018

6 Investments in subsidiaries and joint ventures

The information on the cost of investment was as follows:

	Date of acquisition	Country of registration	31 March 2018		31 December 2017	
			Cost of investment (in thousand tenge)	Ownership percentage	Cost of investment (in thousand tenge)	Ownership percentage
Ekibastuz SDPP-1 named after Bulat Nurzhanov" LLP	31.10.2012	Kazakhstan	338,272,063	100%	338,272,063	100%
"Alatau Zharyk Company" JSC	29.07.2009	Kazakhstan	52,998,245	83.56%	52,709,818	83.56%
"Almaty Power Plants" JSC	26.07.2011	Kazakhstan	30,386,653	100%	30,386,653	100%
"Moynak HPP" JSC	04.01.2008	Kazakhstan	21,864,616	100%	21,864,616	100%
"First Wind Power Plant" LLP	28.05.2016	Kazakhstan	8,834,141	100%	8,834,141	100%
«Samruk-Green Energy» LLP	13.06.2012	Kazakhstan	2,739,386	100%	2,739,386	100%
"Shardarinsk HPP" JSC	03.06.2011	Kazakhstan	2,275,999	100%	2,275,999	100%
	28.05.2016					
"Ereymenau Wind Power" LLP		Kazakhstan	1,553,379	100%	1,522,677	100%
"Shulbinsk HPP" JSC	04.01.2008	Kazakhstan	1,230,658	92.14%	1,230,658	92.14%
"Bukhtarminsk HPP" JSC	04.01.2008	Kazakhstan	1,050,790	90%	1,050,790	90%
						89.99%
"Ust-Kamenogorsk HPP" JSC	04.01.2008	Kazakhstan	465,019	89.99%	465,019	
"Kazhydrotechno" LLP	31.03.2014	Kazakhstan	222,506	100%	222,506	100%
"AlmatyEnergoSbyt" LLP	26.07.2011	Kazakhstan	136,003	100%	136,003	100%
«Energy Solutions Center» LLP	16.03.2017	Kazakhstan	52,999	100%	52,999	100%
"Energia Semirechya" LLP	28.05.2016	Kazakhstan	15,319	51%	15,319	51%
Forum Muider B.V.	23.12.2008	The Netherlands	41,759,543	50%	41,759,543	50%
"Ekibastuz SDPP-2 Plant" JSC	04.01.2008	Kazakhstan	8,725,133	50%	8,725,133	50%
"Balkhash TPP" JSC (Note 4)	24.06.2008	Kazakhstan	32,085,280	49.99%	32,085,280	49.99%
Less:						
Investment impairment			(39,919,760)		(39,919,760)	
Total investments			504,747,972		504,428,843	

In January 2018, the Company effected payment for a total of 288,427 thousand tenge to "Alatau Zharyk Company" JSC to finance the project "Transfer of the load from "Gorny Gigant" substation to "Yermensay" substation under the contract of purchase and sale of shares of "Alatau Zharyk Company" JSC No. KP-76 dated July 27, 2016. The Company invested 30,702 thousand tenge in «Ereymenau Wind Power» LLP during February-March 2018 to replenish working capital.

Transactions and balances on settlements with subsidiaries and joint ventures are disclosed in note 5.

7 Loans issued

<i>In thousands of Kazakhstani tenge</i>	Note	31 March 2018	31 December 2017
<i>Non-current portion</i>			
Alatau Zharyk Company" JSC bonds		4,463,486	4,463,486
Loan issued to "Alatau Zharyk Company" JSC		4,075,115	3,991,664
Loan issued to "First Wind Power Plant" LLP		1,487,911	1,496,614
"MDPGC" JSC bonds		1,206,321	1,205,007
Interest accrued on loan of "First Wind Power Plant" LLP		698,535	634,545
"Special Financial Company "DSFK" LLP bonds		493,041	488,379
Less : allowance for impairment		(61,537)	-
Total loans issued – non-current portion		12,362,872	12,279,695
<i>Current portion</i>			
Loan issued to "Energiya Semirechya" LLP		609,132	596,349
Loan issued to "Balkhash TPP" JSC		375,729	343,316
Financial aid issued to "AlmatyEnergoSbyt" LLP		2,980,479	
Interest on bonds		146,839	294,703
Interest accrued on loans issued		43,364	65,984
Financial aid issued to "Ust-Kamenogorsk HPP" JSC		30,390	30,390
Loans issued to "Zhambyl SDPP named after T.I. Baturov" JSC		5,442	5,442
Less: allowance for impairment		(1,030,448)	(980,191)
Total loans issued – current portion		3,160,927	355,993

Analysis of changes in provision for impairment of loans issued is provided below:

<i>In thousands of Kazakhstani tenge</i>	31 March 2018	31 December 2017
Allowance for impairment at the beginning of the period	980,191	5,442
Change in retained earnings at the beginning of the reporting period in accordance with the IFRS requirements	60,890	
Recognition of allowance for impairment during the reporting period	51,278	974,749
Recovery of allowance for impairment	374	-
Allowance for provision as of the end of the period	1,091,985	980,191

The loan issued to "Alatau Zharyk Company" JSC

On January 31, 2011, the Company issued 7,000,00 thousand tenge loan to "Alatau Zharyk Company" JSC for construction and reconstruction of substations and other facilities. The loan matures on January 21, 2024, the interest rate was 2% per annum payable quarterly.

The amount outstanding as of March 31, 2018 was 4,075,115 thousand tenge (December 31, 2017: 3,991,664 thousand tenge). Balance sheet value of the loan is the present value of future cash flows discounted by applying the rate of 12.5%.

Loan issued to "The First Wind Power Plant" LLP

In 2016, the Company issued loans to "FWPP" LLP in the amount of 1,828,288 thousand tenge to repay the loan from the Eurasian Development Bank. The fixed interest rate is set at 14%. Repayment of the principal amount and payment of interest at the end of the loan term.

8. Other non-current assets

<i>In thousands of Kazakhstani tenge</i>	31 March 2018	31 December 2017
Receivables	11,525,894	11,690,781
Indebtedness on the financial guarantee given to "First Wind Power Plant" LLP	1,423,659	1,378,374
Other receivables	94,845	95,053
Financial other non-current assets, total	13,044,398	13,164,208

Accounts receivable as of March 31, 2018 in the amount of 11,525,894 thousand tenge (31.12.2017 - 11,690,781 thousand tenge) represents long-term debts of customers of the Company's subsidiaries that were sold during 2017. Current portion in the amount of 1,726,568 thousand tenge is recognized in short-term receivables. As of March 31, 2018, receivables are not impaired and are not overdue.

9. Other current assets

<i>In thousands of Kazakhstani tenge</i>	31 March 2018	31 December 2017
Dividends receivable	141,031	6,380,082
Short-term deposits	100,043	3,037,304
Accounts receivable	1,726,568	1,726,568
Total other current assets	1,967,642	11,143,954
Asset held for the benefit of the Shareholder	1,342,046	1,387,077
Advances paid	127,809	130,470
Other	123,085	161,942
Total other non-current assets	3,560,582	12,823,443

Assets held for the benefit of the Shareholder

As instructed by the Shareholder, the Company made a commitment for the construction of a kindergarten in Astana for the amount of 1,174,065 thousand tenge. The Company recognized an obligation for the estimated amount of construction for amount of 1,174,065 thousand tenge as other distributions to the shareholder. As at 31 March 2018, the Company incurred expenses associated with the construction of a kindergarten of 1,342,046 thousand tenge. These actually incurred expenses are recorded as current assets held for the benefit of the Shareholder, as it is expected that these assets will be transferred to the Shareholder in the first half of 2018 through distribution of income in favor of the Shareholder pursuant to its decision.

10 Cash and cash equivalents

<i>In thousands of Kazakhstani tenge</i>	31 March 2018	31 December 2017
Cash on bank accounts – USD	104,043	7,976,305
Cash on bank accounts – Euro	2,622	2,594
Cash on bank accounts – KZT	3,136,155	6,151,677
Cash on bank accounts – rubles	-	-
Cash on hand	3,333	2,253
Cash on fixed-term deposits up to 3 months– tenge	360,000	10,000
Less: allowance for impairment	(2,183,555)	
Total cash and cash equivalents	1,422,598	14,142,829

11 Assets held for sale

On November 23, 2016, the Board of Directors approved the plan for sale of a number of subsidiaries in accordance with the Government's resolution on privatization of non-core assets. As of March 31, 2018, all assets and liabilities of "Tegis Munay" LLP (hereinafter- TM) and its subsidiary "Mangyshlak Munay" (hereinafter -MM) were included in the disposal group.

<i>In thousands of Kazakhstani tenge</i>	31 March 2018	31 December 2017
Investments of "Tegis Munay" LLP	15,851,558	15,810,777
Total assets held for sale	15,851,558	15,810,777

In the first quarter of 2018, the Company invested 40,781 thousand tenge in "Tegis Munay" LLP for operating needs of the subsidiary.

12 Share capital

	Issue date	Number of authorized and issued shares	Value, KZT	Share capital, 000"KZT
Paid-in capital at 31 December 2017		5,601,687		373,314,888
Paid-in capital at 31 March 2018		5,601,687		373,314,888

At 31 March 2018, 5,601,687 issued ordinary shares were fully paid (as at 31.12.2017: 5,601,687 shares). Each ordinary share gives a right of one vote. The Company does not have preference shares.

At 31 March 2018, SWF "Samruk-Kazyna" is a 100% shareholder of the Company (2017: 100%).

13 Borrowings

<i>In thousands of Kazakhstani tenge</i>	31 March 2018	31 December 2017
Non-current portion		
Non-current bank loans	57,277,883	68,231,270
Borrowings from Samruk-Kazyna	56,076,817	57,350,979
Bonds	47,926,002	47,921,800
Total non-current portion of borrowings	161,280,702	173,504,049
Current portion		
Current bank loans	7,542,235	5,000,000
Borrowings from Samruk-Kazyna	2,381,109	2,381,109
Interest accrued – bonds	423,194	1,089,722
Interest accrued – bank loans	1,325,704	738,662
Interest accrued – borrowings from Samruk-Kazyna	348,779	227,753
Total non-current portion of borrowing	12,021,021	9,437,246
Total borrowings	173,301,723	182,941,295

The analysis of balance-sheet and fair value of these loans is presented below:

<i>In thousands of Kazakhstani tenge</i>	31 March 2018		31 December 2017	
	Balance-sheet value	Fair value	Balance-sheet value	Fair value
Borrowings from Samruk-Kazyna	58,806,705	42,424,495	59,959,841	46,240,712
Bonds	48,349,196	49,009,751	49,011,522	48,807,574
Bank loans	66,145,822	66,145,823	73,969,932	75,186,781
Total borrowings	173,301,723	157,580,069	182,941,295	170,235,067

Samruk-Kazyna

On March 17, 2010, the Company signed a loan agreement with Samruk-Kazyna for KZT 48,200,000 thousand for debt refinancing as a result of acquisition of a 50% interest in Forum Muider. The loan was issued at the interest rate of 1.2% per annum with maturity not later than September 15, 2029. The principal is repayable by equal annual installments, and interest is paid by semi-annual installments, starting from the next reporting year after the loan is received. In March 2018 the Company repaid the current portion of the loan in the amount of 2,381,109 thousand tenge

On January 14, 2011, the Company signed a loan agreement with Samruk-Kazyna for KZT 7,000,000 thousand for refinancing of construction of Alatau Zharyk Company's substation. The loan was issued at the interest rate of 2% per annum with maturity not later than January 25, 2024. The principal is repayable by the end of the period, and interest is paid by semi-annual installments.

On January 16, 2014, the Company signed a loan agreement with Samruk-Kazyna for KZT 200,000,000 thousand for acquisition of the remaining interest in ESDPP-1. The principal is repayable on December 1, 2028, and interest is paid by semi-annual installments at the rate of 7.8%. Initially the interest rate was 7.8%, as of the date of the loan receipt, the market rate was 9.5% per annum.

On 3 October 2014, the loan agreement was changed significantly according to addendum # 1 to the loan agreement #369, as follows:

- Principal of KZT 100,000,000 thousand was converted into shares of the Company,
- interest rate on the remaining principal was increased to 9% per annum

13 Borrowings (continued)

On December 25, 2015 the loan agreement was changed significantly in accordance with addendum # 2 to the loan agreement No. 369-I., the interest rate was reduced up to 1% per annum. Management estimated that a reduction in the interest rate to a non-market rate of 1%, as well as a change in the priority of the loan to a subordinated loan, represent a significant change in the terms of the loan. Management believes that such a change in the conditions of the loan should be considered as a repayment of the original loan and recognition of a new loan at a fair value. The market rate at the date of the loan receipt was 12.8% per annum. The Company recognized income from initial recognition of the loan of KZT 72,581,903 thousand within other capital, since management believes that when issuing a loan at the rate lower than the market one Samruk-Kazyna acted as a shareholder of the Company. Profit from initial recognition of the loan received was recorded as a difference between the nominal value of the loan received and its fair value at the date of recognition, calculated using the discounted cash flow method and effective interest rate of 12.8% per annum.

European Bank for Reconstruction and Development

In December 2016, the Company opened a non-revolving credit line for 100 million Euros to refinance Eurobonds. In September 2017, the Company received two tranches for a total of 39,114,450 thousand tenge within this credit line. The interest rate is 3.5% and 4.5% per annum, plus the margin set by the bank on a quarterly basis, and is payable twice a year. The principal is payable twice a year and at the end of the term. In the 1st quarter of 2018, the Company repaid a loan in the amount of 5 942 815 thousand tenge.

"Halyk Bank of Kazakhstan" JSC

In August 2017, the Company opened a non-revolving credit line for 40,000,000 thousand tenge for refinancing Eurobonds and for other corporate purposes. The interest rate is 14.2% per annum and is payable quarterly. The principal is payable twice a year. In March 2018, the Company partially repaid the loan of 4,000,000 thousand tenge.

"Kazkommertsbank" JSC

A 10,000,000 thousand tenge loan with a term of 5 years was obtained from "Kazkommertsbank" JSC in 2015 as part of a credit line for the purpose of replenishing the working capital. Effective rate of this loan is 12.7%.

"Sberbank" JSC

On March 6, 2018, "Samruk-Energy" JSC obtained a long-term loan in the amount of 1,500,000 thousand tenge from SB Sberbank of Russia JSC, with a 13% interest rate and a term of 2 years

Bonds

In August and September of 2017, the Company issued and placed bonds for a total of 20,000,000 thousand tenge and 28,000,000 thousand tenge, respectively, with a nominal value of 1 thousand tenge per bond with a term of five years. The coupon interest rate was 13% per annum and 12.5%, respectively, and is payable twice a year and quarterly.

SAMRUK-ENERGY" JSC
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14 Dividend income

	3 months ended 31 March 2018	3 months ended 31 March 2017
<i>In thousands of Kazakhstani tenge</i>		
Forum Muider B.V	90,718	156,865
"Energy Solutions Center» LLP	50,000	-
Bukhtarminsk HPP JSC	-	1,351,469
Total dividend income	140,718	1,508,334

15 Administrative expenses

	3 months ended 31 March 2018	3 months ended 31 March 2017
<i>In thousands of Kazakhstani tenge</i>		
Salaries and related costs	580,098	580,518
Consulting and other services	437,398	315,687
Rent expenses	76,186	81,482
Depreciation and amortization of intangible assets	81,035	81,035
Taxes	162,529	106,375
Business trip expenses	16,545	12,996
Staff training and related costs	2,623	6,152
Insurance	10,937	9,511
Others	183,237	175,223
Total administrative expenses	1,550,588	1,368,979

16 Finance income

	3 months ended 31 March 2018	3 months ended 31 March 2017
<i>In thousands of Kazakhstani tenge</i>		
Amortization of discount on loans issued	83,450	58,073
Interest income on bank deposits	155,631	220,102
Interest income on loans issued	110,437	98,990
Interest income on bonds	204,060	779,206
Income from indexation of bonds value	-	70,500
Income from issued financial guarantee	68,572	78,534
Amortization of discount on accounts receivable	200,119	-
Others	90,712	5,348
Foreign exchange gains in respect of financial instruments	-	7,938,354
Total finance income	912,981	9,249,107

17 Finance costs

	3 months ended 31 March 2018	3 months ended 31 March 2017
<i>In thousands of Kazakhstani tenge</i>		
Amortization of discount of present value on loans	1,151,176	908,027
Interest expenses on borrowings	2,920,786	782,502
Interest on bonds issued	1,508,473	1,485,516
Expenses from indexation of bonds value	-	1,639,000
Foreign exchange losses in respect to financial instruments	377,876	-
Discounting of accounts receivable	365,006	-
Other	39,729	10,205
Total finance costs	6,363,046	4,825,250

18 Income tax

Income tax is a tax withheld at the source of payment on deposits. The company does not expect to receive taxable profits in the future.

19 Contingencies and Commitments and Operating Risks

Political and economic situation in the Republic of Kazakhstan

In general, the economy of the Republic of Kazakhstan 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 securities 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 Republic of Kazakhstan, including decrease in liquidity.

On August 20, 2015, the National Bank and the Government of the Republic of Kazakhstan decided to stop supporting the exchange rate of the tenge and implementing a new monetary policy based on the inflation targeting regime, abolition of the currency corridor and transition to a freely floating exchange rate. As a result, during August-December 2015, the exchange rate of the tenge ranged from 187 to 350 tenge per US dollar. As of the date of this report, the official exchange rate of the National Bank of the Republic of Kazakhstan amounted to 328.85 tenge per US dollar compared to 318.31 per US dollar as of March 31, 2018 (December 31, 2017: 332.23 tenge for 1 US dollar). Thus, there is uncertainty about the exchange rate of the tenge and future actions of the National Bank and the Government, as well as the impact of these factors on the economy of the Republic of Kazakhstan.

The electricity sector in the Republic of Kazakhstan is still impacted by political, legislative, fiscal and regulatory developments. The prospects for future economic stability in the Republic of Kazakhstan 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 has determined allowance for impairment taking into account the current economic situation and the forecast for the end of the reporting period. Allowance for impairment of trade receivables relating to principal activity and other receivables were determined using the "incurred loss" model provided for in the applicable financial reporting standards. These standards require the recognition of impairment losses of receivables related to past events and prohibit the recognition of losses associated with future events, regardless of how likely these events are.

The Company has the strategic importance for the Republic of Kazakhstan, since it combines the entities of electricity and energy complex providing the population and industrial entities with the electricity. The Government of the Republic of Kazakhstan 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 Company will be supported by the Government of the Republic of Kazakhstan, 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 Company's business in current circumstances.

19 Contingencies and Commitments and Operating Risks (continued)

Tax legislation

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

Kazakhstani tax legislation and practice are in a state of continuous development and therefore are subject to varying interpretations and frequent changes, which may be retroactive. In some cases, in order to determine the taxable base, the tax law refers to IFRS provisions and the interpretation of the relevant provisions of IFRS by Kazakh tax authorities may differ from the accounting policies, judgments and estimates applied by management when preparing these financial statements, which may lead to additional tax liabilities of the Company. The tax authorities can conduct a retroactive check within five years after the end of the tax year. The Company's management believes that its interpretations of a relevant legislation are acceptable and the Group's tax position is justified.

Management believes that the Company will not incur significant losses in respect of current and potential tax claims exceeding the reserves formed in these financial statements.

Insurance The Kazakhstani insurance market is still being developed and many insurance services popular in other countries are still not available in Kazakhstan. The Company does not provide full insurance coverage for its production facilities, losses due to suspension of production or third party liabilities arising in connection with damages caused to properties or environment in the result of accidents or the Company's operations. Until the Company has an adequate insurance coverage, there is a risk that the loss or damage of certain assets might have a substantial negative impact on the Company's performance and financial position.

Legal proceedings The Company is involved in certain other legal proceedings arising in the normal course of business. Management is of the opinion, at present there are no current other legal proceedings or other outstanding claims the results of which could have a significant adverse effect on the Company's financial position

Long-term financial guarantees. As of March 31, 2018, the Company has guarantees issued for loans received by "FWPP" LLP and "Shardarinsk HPP" JSC. The fair value of guarantees in initial recognition was determined as the amount resulted from applying to interest rate amounts covered by guarantees, which represent the difference between the interest rate at which the borrower received a loan secured by the Company and the interest rate that would have been applied if the Company did not issue the guarantee. The cost of the guarantee is regarded as an investment in a subsidiary.

<i>In thousands of Kazakhstani tenge</i>	Long-term financial guarantee		The amount of guaranteed obligations		Guarantee term		Valuation rate under the Guarantee
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	Guarantee issue year	Guarantee validity period	
Company							
"Shardarinsk HPP" JSC	1,508,213	1,558,102	14,350,000	12,950,000	2015 – 2017	11-13 years	3%
"FWPP" LLP	668,215	704,790	10,742,515	14,167,000	2014	10 years	1%
Total	2,176,428	2,262,892	25,092,515	27,117,000			

20 Fair Value of Financial Instruments

The results of fair value evaluation are analyzed and distributed to levels of fair value hierarchy: (i) the 1st level includes estimates on quoted prices (non-adjustable) in active markets for identical assets and liabilities, (ii) the 2nd level includes those received via evaluation methods in which all usable significant information is directly or indirectly observable for the asset or liability (i.e., e.g., price) and (iii) evaluations of 3rd level are estimates not based on observable market data (i.e., based on unobservable inputs). The management uses judgments when attributing financial instruments to a certain category in the fair value hierarchy. If the observable data which require significant adjustments are used in estimating fair value, then it refers to Level 3. The significance of the data used is assessed for total fair value measurement.

In thousands of Kazakhstani tenge	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
Assets								
Cash and cash equivalents	-	1,422,598	-	1,422,598	-	14,142,829	-	14,142,829
Deposits with fixed terms	-	100,043	-	100,043	-	3,037,304	-	3,037,304
Financial accounts receivable	-	13,252,462	-	13,252,462	-	14,860,776	-	14,860,776
Dividends receivable	-	141,031	-	141,031	-	6,380,082	-	6,380,082
Loans issued	-	15,523,799	-	15,523,799	-	12,635,688	-	12,635,688
Total financial assets	-	30,439,933	-	30,439,933	-	51,056,679	-	51,056,679
Liabilities								
Loans	-	157,580,069	-	173,301,723	-	170,235,067	-	182,941,295
Financial guarantees issued	-	2,176,428	-	2,176,428	-	2,262,892	-	2,262,892
Financial payables	-	1,360,111	-	1,360,111	-	750,235	-	750,235
Total financial liabilities	-	161,116,608	-	176,838,262	-	173,248,194	-	185,954,422

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 instruments with fixed interest rate 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 amortized value. The fair value of instruments with floating interest rates approximates their book value. The estimated fair value of fixed interest rate instruments is based on a discounting model for the amounts of expected future cash flows using existing interest rates for new instruments that involve a similar credit risk and a similar maturity. Discount rates used depend on the credit risk of a counterparty.

Liabilities carried at amortized value. The fair value of bonds is based on market quotes. The fair value of loans with a floating interest rate is approximately equal to the carrying amount. The estimated fair value of instruments with a fixed interest rate and a fixed maturity is based on the expected discounted cash flows using interest rates for new instruments with similar credit risk and a similar period until maturity.

21 Events after the reporting date

On April 24, 2018, "Samruk-Energy" JSC obtained a long-term loan in the amount of 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 interest of 1,495,100 thousand tenge under the EBRD loan.

Moldabayev Kanysh Tanirbergenovich
 Managing Director for Development and
 Sales



Tulekova Saule Bekzadayevna
 Director of Accounting and Tax
 Accounting Department – Chief
 Accountant