

**Sakol Energy Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month period ended
31 March 2018

and

Independent auditor's report on review of
interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Sakol Energy Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Sakol Energy Public Company Limited and its subsidiaries, and of Sakol Energy Public Company Limited, respectively, as at 31 March 2018; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2018; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Napaporn Sathitthammaporn)
Certified Public Accountant
Registration No. 7494

KPMG Phoomchai Audit Ltd.
Bangkok
11 May 2018

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	31 March 2018 (Unaudited)	31 December 2017	31 March 2018 (Unaudited)	31 December 2017
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		12,161	21,785	10,245	21,561
Current investments	6	383,631	425,398	351,333	393,570
Trade account receivable	7	55,278	57,266	55,278	57,266
Current portion of financial lease receivable	8	16,918	16,703	16,918	16,703
Other receivables	5	44,489	1,653	44,432	1,619
Current spare parts and supplies		1,403	1,261	1,403	1,261
Total current assets		513,880	524,066	479,609	491,980
Non-current assets					
Investments in subsidiaries	9	-	-	221,999	201,999
Financial lease receivable	8	207,708	210,608	207,708	210,608
Non-current spare parts and supplies		1,823	1,484	1,823	1,484
Investment properties		171,618	171,618	-	-
Property, plant and equipment	10	146,592	128,310	133,380	128,310
Intangible asset		15,513	3,886	3,843	3,886
Goodwill	4	1,769	-	-	-
Other non-current assets		982	982	982	982
Total non-current assets		546,005	516,888	569,735	547,269
Total assets		1,059,885	1,040,954	1,049,344	1,039,249

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2018 (Unaudited)	31 December 2017	31 March 2018 (Unaudited)	31 December 2017
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	11	40,000	40,000	40,000	40,000
Trade accounts payable		27,912	28,798	27,912	28,798
Other payables	5	13,000	15,855	12,379	15,463
Current portion of long-term loans					
from financial institutions	11	14,827	14,680	14,827	14,680
Current portion of finance lease					
and hire purchase liabilities	11	923	1,076	923	1,076
Total current liabilities		96,662	100,409	96,041	100,017
Non-current liabilities					
Long-term loans from financial institutions	11	37,801	41,568	37,801	41,568
Finance lease and hire purchase liabilities	11	1,275	1,510	1,275	1,510
Deferred tax liabilities		12,060	9,854	9,726	9,854
Provisions for employee benefit		646	598	646	598
Long-term provisions		1,090	1,090	1,090	1,090
Total non-current liabilities		52,872	54,620	50,538	54,620
Total liabilities		149,534	155,029	146,579	154,637

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Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2018 (Unaudited)	31 December 2017	31 March 2018 (Unaudited)	31 December 2017
<i>(in thousand Baht)</i>					
Equity					
Share capital:					
Authorised share capital		465,000	465,000	465,000	465,000
Issued and paid-up share capital		465,000	465,000	465,000	465,000
Share premium on ordinary shares		297,619	297,619	297,619	297,619
Retained earnings					
Appropriated					
Legal reserve		26,000	26,000	26,000	26,000
Unappropriated		114,342	96,401	113,390	95,637
Other components of equity		1,375	905	756	356
Equity attributable to owners of the parent		904,336	885,925	902,765	884,612
Non-controlling interests		6,015	-	-	-
Total equity		910,351	885,925	902,765	884,612
Total liabilities and equity		1,059,885	1,040,954	1,049,344	1,039,249

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Revenue	<i>12</i>				
Revenue from rendering of services		77,973	77,858	77,973	77,858
Revenue from financial lease		5,234	5,431	5,234	5,431
Other income		1,138	779	679	638
Total revenue		84,345	84,068	83,886	83,927
Expenses					
Costs of rendering of services		47,979	46,379	47,979	46,379
Administrative expenses		17,528	12,676	17,195	12,547
Finance costs		1,087	1,430	1,087	1,430
Total expenses		66,594	60,485	66,261	60,356
Profit before income tax expense		17,751	23,583	17,625	23,571
Tax income (expense)	<i>13</i>	128	(24)	128	(24)
Profit for the period		17,879	23,559	17,753	23,547
Profit attributable to:					
Owners of the parent		17,941	23,559	17,753	23,547
Non-controlling interests		(62)	-	-	-
Profit for the period		17,879	23,559	17,753	23,547
Basic earnings per share (in Baht)	<i>14</i>	0.019	0.034	0.019	0.034

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Profit for the period		17,879	23,559	17,753	23,547
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring available-for-sale investments	6	470	(119)	400	(204)
Other comprehensive income (expense) for the period, net of tax		470	(119)	400	(204)
Total comprehensive income for the period		18,349	23,440	18,153	23,343
Total comprehensive income attributable to:					
Owners of the parent		18,411	23,440	18,153	23,343
Non-controlling interests		(62)	-	-	-
Total comprehensive income for the period		18,349	23,440	18,153	23,343

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Consolidated financial statements							
		Issued and	Share premium	Retained earnings		Other components	Equity		
	Note	paid-up	on ordinary	Legal	Unappropriated	of equity	attributable to	Non-	Total
		share capital	shares	reserve		Available-for-sale	owners of	controlling	equity
						investments	the parent	interests	
<i>(in thousand Baht)</i>									
Three month period ended 31 March 2017									
Balance at 1 January 2017		346,400	-	22,200	261,519	462	630,581	-	630,581
Distributions to owners of the Company									
Dividends	15	-	-	-	(235,968)	-	(235,968)	-	(235,968)
Total distributions to owners of the Company		-	-	-	(235,968)	-	(235,968)	-	(235,968)
Comprehensive income for the period									
Profit		-	-	-	23,559	-	23,559	-	23,559
Other comprehensive income		-	-	-	-	(119)	(119)	-	(119)
Total comprehensive income for the period		-	-	-	23,559	(119)	23,440	-	23,440
Balance at 31 March 2017		346,400	-	22,200	49,110	343	418,053	-	418,053

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements								
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Available-for-sale investments			
<i>(in thousand Baht)</i>									
Three month period ended 31 March 2018									
Balance at 1 January 2018		465,000	297,619	26,000	96,401	905	885,925	-	885,925
Changes in ownership interests in subsidiary									
Acquisition of non-controlling interests through business combination	4	-	-	-	-	-	-	2,577	2,577
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	3,500	3,500
Total changes in ownership interest in subsidiary		-	-	-	-	-	-	6,077	6,077
Comprehensive income for the period									
Profit (loss)		-	-	-	17,941	-	17,941	(62)	17,879
Other comprehensive income		-	-	-	-	470	470	-	470
Total comprehensive income for the period		-	-	-	17,941	470	18,411	(62)	18,349
Balance at 31 March 2018		465,000	297,619	26,000	114,342	1,375	904,336	6,015	910,351

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements			Other components of equity available for sale investments	Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Legal reserve Unappropriated		
<i>(in thousand Baht)</i>						
Three month period ended 31 March 2017						
Balance at 1 January 2017		346,400	-	22,200 260,905	226	629,731
Distributions to owners						
Dividends	15	-	-	- (235,968)	-	(235,968)
Total distributions to owners		-	-	- (235,968)	-	(235,968)
Comprehensive income for the period						
Profit		-	-	- 23,547	-	23,547
Other comprehensive income		-	-	- -	(204)	(204)
Total comprehensive income for the period		-	-	- 23,547	(204)	23,343
Balance at 31 March 2017		346,400	-	22,200 48,484	22	417,106

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	<i>Note</i>	Issued and paid-up share capital	Share premium on ordinary shares	Separate financial statements		Other components of equity sale investments	Total equity
				Retained earnings			
				Legal reserve	Unappropriated		
<i>(in thousand Baht)</i>							
Three month period ended 31 March 2018							
Balance at 1 January 2018		465,000	297,619	26,000	95,637	356	884,612
Comprehensive income for the period							
Profit		-	-	-	17,753	-	17,753
business combination		-	-	-	-	400	400
Total comprehensive income for the period		-	-	-	17,753	400	18,153
Balance at 31 March 2018		465,000	297,619	26,000	113,390	756	902,765

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial		Separate financial	
	statements		statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	17,879	23,559	17,753	23,547
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (income)	(128)	24	(128)	24
Finance costs	1,087	1,430	1,087	1,430
Depreciation and amortisation	1,958	1,303	1,958	1,303
Gains on disposal of mutual fund	6	(363)	(363)	(469)
Employee benefit expenses	132	87	132	87
Interest income	(115)	-	(115)	-
	<u>20,450</u>	<u>25,933</u>	<u>20,324</u>	<u>25,922</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	1,988	78,350	1,988	78,350
Other receivables	(1,179)	(366)	(1,179)	(466)
Financial lease receivable	2,684	6,723	2,684	6,723
Spare parts and supplies	(480)	(851)	(480)	(851)
Trade accounts payable	(886)	(5,072)	(886)	(5,072)
Other payables	(2,720)	(4,610)	(2,921)	(4,844)
Employee benefits paid	(220)	(61)	(220)	(61)
Net cash generated from operating	<u>19,637</u>	<u>100,046</u>	<u>19,310</u>	<u>99,701</u>
Taxes paid	<u>(1,542)</u>	<u>(12)</u>	<u>(1,519)</u>	<u>-</u>
Net cash from operating activities	<u>18,095</u>	<u>100,034</u>	<u>17,791</u>	<u>99,701</u>

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial		Separate financial	
	statements		statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
Note	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from sale of mutual fund	198,500	244,600	198,500	244,500
Acquisition of mutual fund	(95,900)	(193,000)	(95,500)	(193,000)
Acquisition of debt securities held to maturity	(60,000)	-	(60,000)	-
Acquisition of business, net of cash acquired	4 (8,499)	-	-	-
Acquisition of investments in subsidiary	-	-	(9,500)	-
Cash outflow on increase in share capital of subsidiary	-	-	(10,500)	-
Proceeds from non controlling interest of increase share capital in subsidiary	3,500	-	-	-
Cash outflow on share deposit	(40,000)	-	(40,000)	-
Acquisition of buildings and equipment	(20,198)	(1,525)	(6,985)	(1,525)
Net cash from (used in) investing activities	(22,597)	50,075	(23,985)	49,975
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans from financial institutions	40,000	107,715	40,000	107,715
Repayment of short-term loans from financial institutions	(40,000)	-	(40,000)	-
Repayment of long-term loans from financial institutions	(3,620)	(3,458)	(3,620)	(3,458)
Repayment of finance lease and hire purchase liabilities	(388)	(404)	(388)	(404)
Dividends paid to owners of the Company	-	(235,968)	-	(235,968)
Interest paid	(1,114)	(1,377)	(1,114)	(1,377)
Net cash used in financing activities	(5,122)	(133,492)	(5,122)	(133,492)
Net increase (decreased) in cash and cash equivalents	(9,624)	16,617	(11,316)	16,184
Cash and cash equivalents at beginning of period	21,785	8,567	21,561	8,478
Cash and cash equivalents at ending of period	12,161	25,184	10,245	24,662

The accompanying notes are an integral part of these financial statements.

Sakol Energy Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

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Sakol Energy Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 11 May 2018.

1 General information

Sakol Energy Public Company Limited, the “Company”, is incorporated in Thailand and has its registered head office and branches as follows:

Head office: 15 Moo 1 Chiang Rak Noi, Samkhok Pathumthani

Branch 1: 168 Moo 4 Tha Maprang, Kaeng Khoi Saraburi

Branch 2: 252/108(B) and 252/109(C) Muang Thai-Phatra Complex Building, 21st Floor, Ratchadaphisek Road, Huai Khwang Bangkok

The Company was listed on the Stock Exchange of Thailand in November 2017.

The Company’s major shareholders during the financial period were Sumetchotimetha Family (54% shareholding) and Nuntee Family (21% shareholding).

The principal activity of the Company is compression of natural gas to PTT Public Company Limited. The Group operates in energy industry. Details of the Company’s subsidiaries as at 31 March 2018 and 31 December 2017 are given in notes 5 and 9.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2017. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2017.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2017 except that the Group/Company has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2018. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company except as disclosed in note 3.

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In addition to the above new and revised TFRS, the FAP has issued TFRS 15 *Revenue from Contracts with Customers* which is effective for annual periods beginning on or after 1 January 2019. The Group/Company has not early adopted this standard in preparing these interim financial statements.

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) *Construction Contracts*,
- TAS 18 (revised 2017) *Revenue*,
- TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services*,
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes*,
- TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate*, and
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers*.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

(b) Functional and presentation currency

The interim financial statements are prepared and presented in Thai Baht, which is the Company's functional currency.

(c) Use of judgements and estimates

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017 which includes significant judgements on control over newly-acquired subsidiary.

Assumptions and estimation uncertainties (notes 4 Acquisition of business)

Acquisition of subsidiary measure fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

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When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 16 financial instruments.

3 Accounting policies for new transaction and event

(a) Basis of consolidation

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(b) *Investments in debt securities*

Debt securities that the Group/Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

4 Acquisition of business

On 8 February 2018, the Group obtained control of RE Biofuels Co., Ltd., the business of production and distribution of compressed bio-methane gas, by acquiring 7,500 ordinary shares, Bath 1,266.67 Baht per share totalling Baht 9.50 million or being 75% of ordinary shares.

Management believes the acquisition will expand a renewable energy business.

In the period since acquisition date to 31 March 2018, RE Biofuels Co., Ltd. contributed no income and operation loss for the period of Baht 0.25 million to the Group's operating results.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

Identifiable assets acquired and liabilities assumed

	Recognised values <i>(in thousand Baht)</i>
Cash and cash equivalents	1,001
Intangible assets	11,670
Other payables	(29)
Deferred tax liabilities	(2,334)
Total identifiable assets acquired and liabilities assumed	10,308
Non-controlling interest (based on their proportionate interest in the recognised of the net identifiable assets acquired and liabilities assumed of the acquiree)	(2,577)
Provisional goodwill	1,769
Purchase consideration transferred	9,500
Net cash acquired with the acquisition of business	(1,001)
Net cash outflows	8,499

An independent appraiser has been appointed to determine the fair value of the business, the Company reviewed the draft report of the appraiser. However at the date of approval of these interim financial statement's the draft report of the appraiser is under review. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date.

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The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

Goodwill

The goodwill is attributable mainly to an opportunity of RE Biofuels Co., Ltd. for receiving funding from the Department of Alternative Energy Development and Efficiency. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs

The Group incurred acquisition-related costs of Baht 1.08 million related to external legal fees and due diligence costs.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries, key management and other related parties were as follows:

Name of entities	Country of incorporation	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
SK15 Company Limited	Thailand	Subsidiary with ownership of 99.99% and common directors
Sakol Energy Biomass Power 15 Company Limited	Thailand	Subsidiary with ownership of 99.99% and common directors
RE Biofuels Company Limited	Thailand	Subsidiary with ownership of 75% and common directors
PTC Holding Company Limited	Thailand	Common directors and directors hold entire shares
Transuwan Company Limited	Thailand	Common directors and directors hold substantial shares
Thai Biogas Technology Company Limited	Thailand	Common directors and directors hold substantial shares
T. Line Transport Company Limited	Thailand	Common directors and directors hold substantial shares
Tranthanakom Company Limited	Thailand	Common directors and directors hold substantial shares

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Name of entities	Country of incorporation	Nature of relationships
N15 Technology Company Limited	Thailand	Common directors and directors hold substantial shares
CSK Waste Recycling Company Limited	Thailand	Common directors and directors hold substantial shares
CSK Inventory Services Company Limited	Thailand	Common directors and directors hold substantial shares
Trans Energy Company Limited	Thailand	Common directors and directors hold substantial shares
Thai Alternative Energy Group Company Limited	Thailand	Common directors

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Utility income	Contractual rates
Rental expense	Contractual rates

Significant transactions for the three-month periods ended 31 March with related parties were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Key management personnel				
Short-term employee benefits	4,008	4,106	4,008	4,106
Post-employment benefits	-	23	-	23
Total key management personnel compensation	4,008	4,129	4,008	4,129
Other related parties				
Utility income	44	53	44	53
Rental expense	-	635	-	635

Balances as at 31 March 2018 and 31 December 2017 with related parties were as follows:

<i>Other receivables from related party</i>	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Related party				
Transuwan Company Limited	32	30	32	30
Other payables to related party				
Subsidiary				
SK15 Company Limited	-	-	14	-

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Guarantees

As at 31 March 2018, some directors of the Group and the Company had guaranteed for credit facilities totaling Baht 205 million (31 December 2017 : Baht 326 million) granted by a commercial bank and guaranteed for finance lease without any fees.

6 Current investments

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Money fund	323,631	425,398	291,333	393,570
Debt securities held to maturity	60,000	-	60,000	-
Total	383,631	425,398	351,333	393,570

Debt securities held to maturity have interest rate of 1.4% and mature in May 2018.

Movements during the three-month periods ended 31 March of marketable money fund were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	425,398	96,770	393,570	65,508
Purchases during the period	95,900	193,000	95,500	193,000
Sales during the period	(198,137)	(244,130)	(198,137)	(244,031)
Valuation adjustment	470	(119)	400	(204)
At 31 March	323,631	45,521	291,333	14,273

Movements during the three-month periods ended 31 March of debt securities held to maturity were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Purchases during the period	60,000	-	60,000	-
At 31 March	60,000	-	60,000	-

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7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Other party - current	<u>55,278</u>	<u>57,266</u>	<u>55,278</u>	<u>57,266</u>

Trade accounts receivable of the Group as at 31 March 2018 are within credit term.

The normal credit term granted by the Group is 30 days.

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8 Financial lease receivable

	Consolidated financial statements / Separate financial statements							
	Within one year		After one year but within five years		After five years		Total	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	<i>(in thousand Baht)</i>							
Financial lease receivables	37,321	37,321	126,690	126,690	214,604	222,522	378,615	386,533
Less deferred interest income	<u>(20,403)</u>	<u>(20,618)</u>	<u>(71,571)</u>	<u>(72,664)</u>	<u>(62,015)</u>	<u>(65,940)</u>	<u>(153,989)</u>	<u>(159,222)</u>
Net	<u>16,918</u>	<u>16,703</u>	<u>55,119</u>	<u>54,026</u>	<u>152,589</u>	<u>156,582</u>	<u>224,626</u>	<u>227,311</u>

The Company entered into two natural gas compression contracts with PTT Public Company Limited (PTT) to provide gas storage trailers natural gas compression service to PTT. The Company must comply with the conditions stipulated in the contracts for a period of 20 years, expiring in March 2029 and October 2030, respectively. These contracts have met the conditions for arrangements which contain leases, according to TFRIC 4.

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9 Investments in subsidiaries

<i>Three-month period ended 31 March</i>	<i>Note</i>	Separate financial statements	
		2018	2017
		<i>(in thousand Baht)</i>	
At 1 January		201,999	201,999
Acquisition	4	9,500	-
Increase in share capital of subsidiary		10,500	-
At 1 March		<u>221,999</u>	<u>201,999</u>

Acquisition of subsidiary and increase in share capital of subsidiary

On 8 February 2018, the Company acquired 7,500 ordinary shares of RE Biofuels Co., Ltd, Baht 1,266.67 per share totaling Baht 9.5 million being 75% of the ordinary shares. Subsequently, during March 2018, RE Biofuels Co., Ltd increased its registered capital from Baht 1 million (10,000 shares with a Baht 100 par value) to Baht 15 million (150,000 ordinary shares with a Baht 100 par value) and call for 75% of paid-up share capital (105,000 ordinary shares with a Baht 100 par value) of Baht 10.50 million.

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Investments in subsidiaries as at 31 March 2018 and 31 December 2017, and dividend income from those investments for three-month periods ended 31 March were as follows:

	Type of business	Separate financial statements						Dividend income for the three-month periods ended	
		Ownership interest		Paid share capital		Cost		31 March	31 March
		31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	2018	2017
<i>Subsidiaries</i>			(%)			<i>(in thousand Baht)</i>			
SK15 Company Limited	Rental of property	99.99	99.99	140,000	140,000	140,000	140,000	-	-
Sakol Energy Biomass Power 15 Company Limited	Production and distribution of electricity	99.99	99.99	62,000	62,000	61,999	61,999	-	-
RE Biofuels Company Limited	Production and distribution compressed bio-methane gas	75.00	-	15,000	-	20,000	-	-	-
Total				<u>217,000</u>	<u>202,000</u>	<u>221,999</u>	<u>201,999</u>	<u>-</u>	<u>-</u>

All subsidiaries were incorporated in Thailand.

The Company has no investments in subsidiaries registered in the stock exchange so there are no published price quotations to be disclosed.

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10 Property, plant and equipment

Acquisitions, disposals and transfers of plant and equipment during the three-month periods ended 31 March were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements			
	2018	Disposals and transfers out - net book value	2017	Disposals and transfers out - net book value
	Acquisitions and transfers in - at cost	out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
		<i>(in thousand Baht)</i>		
Buildings and other construction	12,438	-	-	-
Tools	15	-	35	-
Furniture, fixtures and office equipment	115	-	253	-
Assets under construction and installation	20,068	12,438	1,237	-
Total	32,636	12,438	1,525	-

<i>Three-month period ended 31 March</i>	Separate financial statements			
	2018	Disposals and transfers out - net book value	2017	Disposals and transfers out - net book value
	Acquisitions and transfers in - at cost	out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
		<i>(in thousand Baht)</i>		
Buildings and other construction	12,438	-	-	-
Tools	15	-	35	-
Furniture, fixtures and office equipment	115	-	253	-
Assets under construction and installation	6,855	12,438	1,237	-
Total	19,423	12,438	1,525	-

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11 Interest-bearing liabilities

	Consolidated / Separate financial statements	
	31 March 2018	31 December 2017
	<i>(in thousand Baht)</i>	
Current		
Short-term loans from financial institutions - Secured	40,000	40,000
Current portion of long-term loans from financial institutions - Secured	14,827	14,680
Current portion of financial lease and hire purchase liabilities	923	1,076
Total current interest-bearing liabilities	55,750	55,756
Non-current		
Long-term loans from financial institutions - Secured	37,801	41,568
Financial lease and hire purchase liabilities	1,275	1,510
Total non-current interest-bearing liabilities	39,076	43,078
Total interest bearing liabilities	94,826	98,834

The periods to maturity of interest-bearing liabilities, excluding finance lease and hire purchase liabilities, as at 31 March 2018 and 31 December 2017 were as follows:

	Consolidated / Separate financial statements	
	31 March 2018	31 December 2017
	<i>(in thousand Baht)</i>	
Within one year	54,827	54,680
After one year but within five years	37,801	41,568
Total	92,628	96,248

Secured interest-bearing liabilities as at 31 March 2018 and 31 December 2017 were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	<i>(in thousand Baht)</i>			
Property, plant and equipment	66,451	66,554	66,451	66,554
Investment properties	100,983	100,983	-	-
	167,434	167,537	66,451	66,554

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In July 2013, the Company entered into a long-term loan agreement of Baht 100 million with a financial institution. The long-term loan is repayable in monthly 84 installments of Baht 1.43 million effective from September 2014, interest is paid monthly at the rate of MLR-2.375% per annum for the first two years, MLR-2.125% per annum for the third to fourth year, and MLR-1.625% per annum for the remaining years. This loan is secured by a mortgage of land, buildings and structures on such land, and machinery and equipment of the Company along with any assignment of the insured property. Under the loan agreement, the Company must comply with certain conditions stipulated in the agreement, such as financial covenants and to maintain the Company's major shareholders not less than 26% of the total shares listed on the Stock Exchange of Thailand over the term of this agreement.

As at 31 March 2018, the Company had utilised short-term loans from financial institutions totaling Baht 40 million (*31 December 2017: Baht 40 million*) with interest rate at 4.15% per annum (*31 December 2017: 4.15% per annum*).

As at 31 March 2018 the Group and the Company had unutilised credit facilities totaling Baht 303.60 million (*31 December 2017: Baht 299.98 million*).

Finance lease and hire purchase liabilities

Finance lease and hire purchase liabilities as at 31 March 2018 and 31 December 2017 were payable as follows:

	Consolidated financial statements / Separate financial statements					
	31 March 2018			31 December 2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,010	(87)	923	1,175	(99)	1,076
After one year but within five years	1,319	(44)	1,275	1,571	(61)	1,510
Total	2,329	(131)	2,198	2,746	(160)	2,586

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12 Segment information

Information about reportable segments

<i>Three-month period ended</i> <i>31 March</i>	Natural gas compression		Others		Total		Elimination of inter-segment		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
					<i>(in thousand Baht)</i>					
External revenue										
- Revenue from rendering of services	77,973	77,858	-	-	77,973	77,858	-	-	77,973	77,858
- Revenue from financial lease	5,234	5,431	-	-	5,234	5,431	-	-	5,234	5,431
Other income	679	638	473	154	1,152	792	(14)	(13)	1,138	779
Total	83,886	83,927	473	154	84,359	84,081	(14)	(13)	84,345	84,068
Segment profit before income tax	17,625	23,571	126	12	17,751	23,583	-	-	17,751	23,583
Segment assets as at 31 March / 31 December	1,049,344	1,039,249	219,116	203,705	1,268,460	1,242,954	(208,575)	(202,000)	1,059,885	1,040,954
Segment liabilities as at 31 March / 31 December	146,579	154,637	635	392	147,214	155,029	2,320	-	149,534	155,029

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13 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group's consolidated and the Company's effective tax rate in respect of continuing operations for the three-month ended 31 March 2018 was (0.72%) and (0.73%) respectively. (31 March 2017: 0.1% and 0.1% respectively). This change in effective tax rate was caused mainly by the exemption from payment of corporate income tax by the privileges granted by the Board of Investment.

14 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 2018 and 2017 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht/thousand shares)</i>			
Profit for the periods attributable to ordinary shareholders of the Company (basic)	<u>17,941</u>	<u>23,559</u>	<u>17,753</u>	<u>23,547</u>
Number of ordinary shares outstanding	<u>930,000</u>	<u>692,800</u>	<u>930,000</u>	<u>692,800</u>
Basic earnings per share (in Baht)	<u>0.019</u>	<u>0.034</u>	<u>0.019</u>	<u>0.034</u>

15 Dividends

At the annual general meeting of shareholders of the Company held on 6 March 2017, the shareholders approved the appropriation of dividend of Baht 0.3406 per share, amounting to Baht 235.97 million. The dividend was paid to the shareholders in March 2017.

16 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value Level 2	Carrying amount	Fair value Level 2
31 March 2018	<i>(in thousand Baht)</i>			
Money fund	<u>323,631</u>	<u>323,631</u>	<u>291,333</u>	<u>291,333</u>
31 December 2017				
Money fund	<u>425,398</u>	<u>425,398</u>	<u>393,570</u>	<u>393,570</u>

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Money fund is stated at fair value using the price or yield announced by the Bond Market Association of Thailand on the date the investment is valued. Related valuation processes are described in note 2 (c).

17 Commitments with non-related parties

	Consolidated		Separate	
	financial statement		financial statements	
	31	31	31	31
	March	December	March	December
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Buildings	3,151	6,194	700	6,194
Software	1,093	1,093	1,093	1,093
Machinery and equipment	24,599	1,020	408	1,020
Furniture, fixtures and office equipment	361	76	361	76
Total	29,204	8,383	2,562	8,383
The future minimum lease payments under non-cancellable leases				
Within one year	9,155	8,765	8,765	8,765
After one year but within five years	18,033	14,858	12,667	14,858
Total	27,188	23,623	21,432	23,623
Other commitments				
Bank guarantees	38,770	38,770	38,770	38,770

At 31 March 2018 the Group has capital commitments from purchase agreements of machinery and equipment amounting to Baht 0.41 million and USD 0.77 million and the Company has capital commitments from those agreements amounting to Baht 0.41 million.

The Company has letters of guarantee issued by a financial institution on behalf of the Company amounting to Baht 30 million for the obligations required in the normal course of business which comprise mostly guarantees for performance contracts (31 December 2017: Baht 30 million).

The Company has commitments with a domestic financial institution for letters of guarantee for electricity usage amounting to Baht 8.77 million (31 December 2017: Baht 8.77 million).

18 Events after the reporting period

On April 2018, the Company lend loan to RE Bio fuels Co., Ltd., a subsidiary of the Company, Baht 12 million with interest rate 11% per annum. The loan will be repaid when the Department of Alternative Energy Development and Efficiency pays subsidy to a subsidiary or within 1 year.

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At the annual general meeting of the Company held on 19 April 2018, the shareholders approved as follows :

- (a) To acquire of 80% equity interest in Mae Krating Power Co., Ltd. for consideration of Baht 80 million and increase in share capital of this company of Baht 205 million.
- (b) To revise objectives of the uses of proceeds from capital increase through initial public offering

During May 2018, the Company has received credit facilities of Baht 30 million from a financial institution and RE Bio fuels Co., Ltd., a subsidiary of the Company, has entered into an agreement to construct compressed bio-methane gas stations with a company amounted to Baht 30 million.