

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

Interim financial statements
for the three-month period ended
31 March 2019

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 2019; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2019; 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".

(Sophit Prompol)
Certified Public Accountant
Registration No. 10042

KPMG Phoomchai Audit Ltd.
Bangkok
10 May 2019

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2019 (Unaudited)	31 December 2018	31 March 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		79,313	123,254	74,843	79,377
Current investments	5	51,598	65,522	12,998	12,959
Trade account receivable	6	43,958	42,142	43,958	42,142
Current portion of financial lease receivable	7	17,829	17,593	17,829	17,593
Other receivables	4	57,054	47,181	11,997	11,205
Current portion of long-term loans to related parties	4	-	-	1,643	1,217
Short-term loans to related party	4	-	-	79,000	16,000
Short-term loans to other party		1,725	2,300	-	-
Inventories		74	-	-	-
Current spare parts and supplies		2,036	2,318	2,036	2,318
Total current assets		253,587	300,310	244,304	182,811
Non-current assets					
Deposits at financial institutions with restrictions on withdrawal		16,800	17,399	15,000	15,599
Investments in subsidiaries	8	-	-	507,839	507,839
Financial lease receivable	7	195,527	198,662	195,527	198,662
Long-term loans to related parties	4	-	-	290,357	155,783
Non-current spare parts and supplies		2,866	2,491	2,866	2,491
Investment properties		171,618	171,618	-	-
Property, plant and equipment	9	811,044	676,296	133,185	128,941
Intangible asset		115,991	116,057	4,829	4,874
Goodwill		8,077	8,077	-	-
Other non-current assets		9,594	983	1,363	982
Total non-current assets		1,331,517	1,191,583	1,150,966	1,015,171
Total assets		1,585,104	1,491,893	1,395,270	1,197,982

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

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
Liabilities and equity	<i>Note</i>	2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Short-term loans from financial institutions	<i>10</i>	90,000	61,257	90,000	40,000
Trade accounts payable		24,993	16,991	17,768	16,991
Other payables		54,693	168,599	17,102	11,633
Current portion of long-term loans					
from financial institutions	<i>10</i>	70,209	53,242	56,164	29,742
Current portion of finance lease					
and hire purchase liabilities	<i>10</i>	6,341	958	969	958
Total current liabilities		246,236	301,047	182,003	99,324
<i>Non-current liabilities</i>					
Long-term loans from financial institutions	<i>10</i>	248,786	138,325	239,330	138,325
Finance lease and hire purchase liabilities	<i>10</i>	32,505	553	306	553
Deferred tax liabilities		31,037	30,569	9,855	9,993
Provisions for employee benefit		675	788	675	788
Long-term provisions		1,090	1,090	1,090	1,090
Total non-current liabilities		314,093	171,325	251,256	150,749
Total liabilities		560,329	472,372	433,259	250,073

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

Sakol Energy Public Company Limited and its subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
Liabilities and equity	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
	<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	29,300	29,300	29,300	29,300
Unappropriated	158,078	151,881	169,997	155,934
Other components of equity	1,045	898	95	56
Equity attributable to owners of the parent	951,042	944,698	962,011	947,909
Non-controlling interests	73,733	74,823	-	-
Total equity	1,024,775	1,019,521	962,011	947,909
Total liabilities and equity	1,585,104	1,491,893	1,395,270	1,197,982

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

Sakol Energy Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenue	<i>11, 12</i>				
Revenue from rendering of services		61,918	77,973	61,918	77,973
Revenue from financial lease		5,018	5,234	5,018	5,234
Revenue from sales of goods		1,434	-	-	-
Other income	<i>4</i>	2,012	1,138	5,996	679
Total revenue		70,382	84,345	72,932	83,886
Expenses					
Costs of rendering of services		39,202	47,979	39,202	47,979
Cost of sales of goods		1,125	-	-	-
Administrative expenses		20,636	17,528	16,535	17,195
Finance costs		3,953	1,087	3,374	1,087
Total expenses		64,916	66,594	59,111	66,261
Profit before income tax expense		5,466	17,751	13,821	17,625
Tax income (expense)	<i>13</i>	(469)	128	138	128
Profit for the period		4,997	17,879	13,959	17,753
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Gains on remeasuring available-for-sale invenments	<i>5</i>	153	470	39	400
Total items that will be reclassified subsequently to profit or loss		153	470	39	400
<i>Items that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans		104	-	104	-
Total items that will not be reclassified to profit or loss		104	-	104	-
Other comprehensive income for the period		257	470	143	400
Total comprehensive income for the period		5,254	18,349	14,102	18,153

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

Sakol Energy Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended 31 March		Three-month period ended 31 March	
Note	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to:				
Owners of the parent	6,093	17,941	13,959	17,753
Non-controlling interests	(1,096)	(62)	-	-
Profit for the period	<u>4,997</u>	<u>17,879</u>	<u>13,959</u>	<u>17,753</u>
Total comprehensive income attributable to:				
Owners of the parent	6,344	18,411	14,102	18,153
Non-controlling interests	(1,090)	(62)	-	-
Total comprehensive income for the period	<u>5,254</u>	<u>18,349</u>	<u>14,102</u>	<u>18,153</u>
Basic earnings per share <i>(in Baht)</i>	<i>14</i>			
	<u>0.007</u>	<u>0.019</u>	<u>0.015</u>	<u>0.019</u>

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 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	-	-	-	-	-	-	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)

Consolidated financial statements

	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Legal reserve	Unappropriated	Other components of equity Available-for-sale investments	Equity attributable to owners of the parent	Non- controlling interests	Total equity
<i>(in thousand Baht)</i>								
Three month period ended 31 March 2019								
Balance at 1 January 2019	465,000	297,619	29,300	151,881	898	944,698	74,823	1,019,521
Comprehensive income for the period								
Profit (loss)	-	-	-	6,093	-	6,093	(1,096)	4,997
Other comprehensive income	-	-	-	104	147	251	6	257
Total comprehensive income for the period	-	-	-	6,197	147	6,344	(1,090)	5,254
Balance at 31 March 2019	465,000	297,619	29,300	158,078	1,045	951,042	73,733	1,024,775

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)

	Separate financial statements				Other components of equity	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 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
Other comprehensive income	-	-	-	-	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 changes in equity (Unaudited)

	Issued and paid-up share capital	Share premium on ordinary shares	Separate financial statements		Other components of equity Available-for-sale investments	Total equity
			Legal reserve	Retained earnings Unappropriated		
<i>(in thousand Baht)</i>						
Three month period ended 31 March 2019						
Balance at 1 January 2019	465,000	297,619	29,300	155,934	56	947,909
Comprehensive income for the period						
Profit	-	-	-	13,959	-	13,959
Other comprehensive income	-	-	-	104	39	143
Total comprehensive income for the period	-	-	-	14,063	39	14,102
Balance at 31 March 2019	465,000	297,619	29,300	169,997	95	962,011

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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	4,997	17,879	13,959	17,753
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax (income) expense	469	(128)	(138)	(128)
Finance costs	3,953	1,087	3,374	1,087
Depreciation and amortisation	3,935	1,958	2,236	1,958
Gains on disposal of mutual fund	(23)	(363)	-	(363)
Loss on disposal of equipments	62	-	62	-
Employee benefit expenses	49	132	49	132
Interest income	(108)	(115)	(4,745)	(115)
	13,334	20,450	14,797	20,324
<i>Changes in operating assets and liabilities</i>				
Trade account receivable	(1,816)	1,988	(1,816)	1,988
Other receivables	(8,628)	(1,179)	1,115	(1,179)
Financial lease receivable	2,899	2,684	2,899	2,684
Inventories	(74)	-	-	-
Spare parts and supplies	(93)	(480)	(93)	(480)
Other non-current assets	(8,611)	-	(380)	-
Trade accounts payable	8,002	(886)	777	(886)
Other payables	(4,188)	(2,720)	(890)	(2,921)
Employee benefits paid	(58)	(220)	(58)	(220)
Net cash generated from operating	767	19,637	16,351	19,310
Taxes paid	(1,183)	(1,542)	(1,182)	(1,519)
Net cash from (used in) operating activities	(416)	18,095	15,169	17,791

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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from sale of mutual fund	14,100	198,500	-	198,500
Acquisition of mutual fund	-	(95,900)	-	(95,500)
Acquisition of debt securities held to maturity	-	(60,000)	-	(60,000)
Cash outflow on long-term loans to a related party	-	-	(135,000)	-
Cash outflow on short-term loans to a related party	-	-	(79,000)	-
Proceeds from short-term loans to a related party	575	-	16,000	-
Decreased in restricted deposits at financial institutions	599	-	599	-
Acquisition of business, net of cash acquired	-	(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)
Proceeds from sale of equipments	10	-	10	-
Acquisition of buildings and equipment	(248,375)	(20,198)	(143)	(6,985)
Interest received	44	-	4,020	-
Net cash used in investing activities	(233,047)	(22,597)	(193,514)	(23,985)

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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans from financial institutions	90,000	40,000	90,000	40,000
Repayment of short-term loans from financial institutions	(61,257)	(40,000)	(40,000)	(40,000)
Proceeds from long-term loans from financial institutions	133,673	-	133,673	-
Repayment of long-term loans from financial institutions	(6,589)	(3,620)	(6,589)	(3,620)
Proceeds from finance lease liabilities	38,591	-	-	-
Repayment of finance lease and hire purchase liabilities	(1,425)	(417)	(252)	(417)
Interest paid	<u>(3,471)</u>	<u>(1,085)</u>	<u>(3,021)</u>	<u>(1,085)</u>
Net cash from (used in) financing activities	<u>189,522</u>	<u>(5,122)</u>	<u>173,811</u>	<u>(5,122)</u>
Net decreased in cash and cash equivalents	(43,941)	(9,624)	(4,534)	(11,316)
Cash and cash equivalents at beginning of period	<u>123,254</u>	<u>21,785</u>	<u>79,377</u>	<u>21,561</u>
Cash and cash equivalents at ending of period	<u>79,313</u>	<u>12,161</u>	<u>74,843</u>	<u>10,245</u>
<i>Non-cash transactions</i>				
Other payables of buildings and equipment purchased	<u>43,625</u>	<u>-</u>	<u>6,365</u>	<u>-</u>

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 2019 (Unaudited)

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Sakol Energy Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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 10 May 2019.

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 2019 and 31 December 2018 are given in notes 4 and 8.

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 2018) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions 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 2018. 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 2018.

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 2018 except as disclosed in note 3 and except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019.

The primary change is that the Group has initially adopted TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”), which replaced TAS 18 *Revenue* (“TAS 18”) and related interpretations.

Sakol Energy Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the financial statements.

For a number of new and revised TFRS which are not yet effective for current period, the Group has not early adopted these standards in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 18.

(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 2018, except for revenue recognition which requires judgement in determining the timing of the transfer of control - at a point in time or over time - according to the requirements of TFRS 15 which the Group has initially adopted.

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.

Sakol Energy Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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 15 financial instruments.

3 Accounting policies for new transaction and event

(a) *finance leases*

The Group entered into sale and lease back agreements for certain machinery and equipment, resulting in a finance lease. Excess of sales proceeds over the carrying amount is not immediately recognised as income. Instead it is deferred and amortised over the lease term.

The Group recognised finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charged is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the first in first out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Sakol Energy Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

4 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
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
Mae Krating Power Company Limited	Thailand	Subsidiary with ownership of 80% 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
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
Thai Alternative Energy Group Company Limited	Thailand	Common directors and shareholders
B.P.15 Company Limited	Thailand	Common directors and shareholders
Trans Energy Company Limited	Thailand	Common shareholder
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.

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

Transactions	Pricing policies
Management income	Contractual rates
Rental and utility income	Contractual rates
Other service income	Contractual rates
Interest income	Contractual rates
Rental expense	Contractual rates
Other service 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		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Management income	-	-	178	-
Other service income	-	-	330	-
Interest income	-	-	4,701	-
Rental expense	88	-	-	-
Other related parties				
Utility income	40	44	40	44
Key management personnel				
Short-term employee benefits	<u>3,217</u>	<u>4,008</u>	<u>3,217</u>	<u>4,008</u>
Total key management personnel compensation	<u>3,217</u>	<u>4,008</u>	<u>3,217</u>	<u>4,008</u>

Balances as at 31 March 2019 and 31 December 2018 with related parties were as follows:

<i>Other receivables from related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Related parties				
B.P.15 Company Limited	1,685	-	-	-
Transuwan Company Limited	<u>30</u>	<u>25</u>	<u>30</u>	<u>25</u>
Total	<u>1,715</u>	<u>25</u>	<u>30</u>	<u>25</u>
Short-term loan to related party				
Subsidiary				
Mae Krating Power Company Limited	<u>-</u>	<u>-</u>	<u>79,000</u>	<u>16,000</u>

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For the three-month period ended 31 March 2019 (Unaudited)

Movements during the three-month periods ended 31 March of loans to related parties were as follows:

<i>Short-term loan to related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	16,000	-
Increase	-	-	79,000	-
Decrease	-	-	(16,000)	-
At 31 March	<u>-</u>	<u>-</u>	<u>79,000</u>	<u>-</u>

In January and March 2019, the Company entered into short-term loan agreements of Baht 40 million and Baht 39 million, respectively, with Mae Krating Power Co., Ltd., a subsidiary of the Company, with an interest rate at MOR+2.75% per annum for the purpose of the construction of Mae Krating biomass power plant. These loan will be repayable primarily within June 2019.

<i>Long-term loan to related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
RE Biofuels Company Limited	-	-	12,000	12,000
Mae Krating Power Company Limited	-	-	280,000	145,000
Total	<u>-</u>	<u>-</u>	<u>292,000</u>	<u>157,000</u>

Movements during the three-month periods ended 31 March of long-term loans to related parties were as follows:

<i>Long-term loan to related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	157,000	-
Increase	-	-	135,000	-
At 31 March 2019	<u>-</u>	<u>-</u>	<u>292,000</u>	<u>-</u>

In February 2019, the Company entered into a long-term loan agreement of Baht 135 million with Mae Krating Power Co., Ltd., a subsidiary of the Company, with an interest rate at MOR+2.75% per annum and repayable principle and interest in 64 monthly installments, effective from September 2020 for the mainly purpose of the construction of Mae Krating biomass power plant.

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5 Current investments

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Mutual fund	<u>51,598</u>	<u>65,522</u>	<u>12,998</u>	<u>12,959</u>

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	65,522	425,398	12,959	393,570
Purchases during the period	-	95,900	-	95,500
Sales during the period	(14,077)	(198,137)	-	(198,137)
Valuation adjustment	153	470	39	400
At 31 March	<u>51,598</u>	<u>323,631</u>	<u>12,998</u>	<u>291,333</u>

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Purchases during the period	-	60,000	-	60,000
At 31 March	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Other party - current	<u>43,958</u>	<u>42,142</u>	<u>43,958</u>	<u>42,142</u>

Trade accounts receivable of the Group as at 31 March 2019 are within credit term.

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

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7 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 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>							
Financial lease receivables	37,321	37,320	126,690	126,690	182,931	190,849	346,942	354,859
Less deferred interest income	(19,492)	(19,727)	(66,907)	(68,119)	(47,187)	(50,758)	(133,586)	(138,604)
Net	<u>17,829</u>	<u>17,593</u>	<u>59,783</u>	<u>58,571</u>	<u>135,744</u>	<u>140,091</u>	<u>213,356</u>	<u>216,255</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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8 Investments in subsidiaries

<i>Three-month period ended 31 March</i>	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	507,839	201,999
Acquisition	-	9,500
Increase in share capital of subsidiary	-	10,500
At 1 March	<u>507,839</u>	<u>221,999</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 , in March 2018, RE Biofuels Co., Ltd increased its registered capital from Baht 1 million (10,000 shares at Baht 100 par value) to Baht 15 million (150,000 ordinary shares at Baht 100 par value) and call for the increased share capital at 75% shareholding (105,000 ordinary shares at Baht 100 par value) of Baht 10.50 million.

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Investments in subsidiaries as at 31 March 2019 and 31 December 2018, and dividend income 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 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	2019	2018
<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	-	-
Mae Krating Power Company Limited	Production and distribution of electricity	80.00	80.00	282,300	282,300	285,840	285,840	-	-
RE Biofuels Company Limited	Production and distribution compressed bio-methane gas	75.00	75.00	15,000	15,000	20,000	20,000	-	-
Total				499,300	499,300	507,839	507,839	-	-

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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9 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			
	2019		2018	
	Acquisitions and transfers in - at cost	Disposals and transfers 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	491	-	12,438	-
Machinery and equipment	59,569	-	-	-
Electrical system	961	-	-	-
Tools	34	-	15	-
Furniture, fixtures and office equipment	128	72	115	-
Assets under construction and installation	137,031	59,569	20,068	12,438
Total	198,214	59,641	32,636	12,438

<i>Three-month period ended 31 March</i>	Separate financial statements			
	2019		2018	
	Acquisitions and transfers in - at cost	Disposals and transfers 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	14	-	15	-
Furniture, fixtures and office equipment	123	72	115	-
Assets under construction and installation	6,370	-	6,855	12,438
Total	6,507	72	19,423	12,438

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10 Interest-bearing liabilities

	Consolidated financial statements			
	Short-term loans from financial institutions	Long-term loans from financial institutions	Financial lease and hire purchase liabilities	Total
	<i>(in thousand Baht)</i>			
Balance at 1 January 2019	61,257	191,566	1,511	254,334
Changes from financing cash flows	28,743	127,084	37,166	192,993
Other non-cash movement	-	343	169	512
Balance at 31 March 2019	90,000	318,995	38,846	447,841

	Consolidated financial statements			
	Short-term loans from financial institutions	Long-term loans from financial institutions	Financial lease and hire purchase liabilities	Total
	<i>(in thousand Baht)</i>			
Balance at 1 January 2018	40,000	56,248	2,586	98,834
Changes from financing cash flows	-	(3,620)	(417)	(4,037)
Other non-cash movement	-	-	29	29
Balance at 31 March 2018	40,000	52,628	2,198	94,826

	Separate financial statements			
	Short-term loans from financial institutions	Long-term loans from financial institutions	Financial lease and hire purchase liabilities	Total
	<i>(in thousand Baht)</i>			
Balance at 1 January 2019	40,000	168,067	1,511	209,578
Changes from financing cash flows	50,000	127,084	(252)	176,832
Other non-cash movement	-	343	16	359
Balance at 31 March 2019	90,000	295,494	1,275	386,769

	Separate financial statements			
	Short-term loans from financial institutions	Long-term loans from financial institutions	Financial lease and hire purchase liabilities	Total
	<i>(in thousand Baht)</i>			
Balance at 1 January 2018	40,000	56,248	2,586	98,834
Changes from financing cash flows	-	(3,620)	(417)	(4,037)
Other non-cash movement	-	-	29	29
Balance at 31 March 2018	40,000	52,628	2,198	94,826

In February 2019, the Company entered into a long-term loan agreement of Baht 135 million with a financial institution. The long-term loan is repayable in 72 monthly installments of Baht 1.875 million each effective from March 2019, with interest rate at MLR-2.75% per annum.

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The periods to maturity of interest-bearing liabilities, excluding finance lease and hire purchase liabilities, as at 31 March 2019 and 31 December 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Within one year	160,209	114,499	146,164	69,742
After one year but within five years	208,272	110,410	198,816	110,410
After five years	40,514	27,915	40,514	27,915
Total	408,995	252,824	385,494	208,067

Secured interest-bearing liabilities as at 31 March 2019 and 31 December 2018 were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Property, plant and equipment	192,374	131,623	103,913	103,258
Investment properties	100,983	100,983	-	-
	293,357	232,606	103,913	103,258

As at 31 March 2019, the Group and the Company had utilised short-term loans from financial institutions totaling Baht 90 million (*31 December 2018: Baht 62 million and Baht 40 million, respectively*) with interest rate at 4.15% - 5.25% per annum (*31 December 2018: 4.30% and 4.30% - 6.28% per annum, respectively*).

As at 31 March 2019 the Group and the Company had unutilised credit facilities totaling Baht 159 and 134 million, respectively (*31 December 2018: Baht 423.69 million and Baht 398.63 million, respectively*).

Finance lease and hire purchase liabilities

Finance lease and hire purchase liabilities as at 31 March 2019 and 31 December 2018 were payable as follows:

	Consolidated financial statements					
	31 March 2019			31 December 2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	<i>(in thousand Baht)</i>					
Within one year	8,052	(1,711)	6,341	1,010	(52)	958
After one year but within five years	35,536	(3,031)	32,505	561	(8)	553
Total	43,588	(4,742)	38,846	1,571	(60)	1,511

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	Separate financial statements					
	31 March 2019			31 December 2018		
	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	(41)	969	1,010	(52)	958
After one year but within five years	309	(3)	306	561	(8)	553
Total	<u>1,319</u>	<u>(44)</u>	<u>1,275</u>	<u>1,571</u>	<u>(60)</u>	<u>1,511</u>

In February 2019, a subsidiary entered into a sale and leaseback agreement for machinery and equipment with a company. Lease term is for a period of five years. On the agreement date, the subsidiary paid guarantee deposit in the amount of Baht 8.23 million. This lease agreement is guaranteed by the Company and subsidiary's shareholders. As at 31 March 2019, the net book value of machinery and equipment under the agreement was Baht 40.69 million.

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11 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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>									
External revenue										
- Revenue from rendering of services	61,918	77,973	-	-	61,918	77,973	-	-	61,918	77,973
- Revenue from financial lease	5,018	5,234	-	-	5,018	5,234	-	-	5,018	5,234
- Revenue from sale	-	-	1,434	-	1,434	-	-	-	1,434	-
Other income	5,996	679	1,217	473	7,213	1,152	(5,201)	(14)	2,012	1,138
Total	72,932	83,886	2,651	473	75,583	84,359	(5,201)	(14)	70,382	84,345
Segment profit (loss) before income tax	13,821	17,625	(4,168)	126	9,653	17,751	(4,187)	-	5,466	17,751
Segment assets as at 31 March / 31 December	1,395,270	1,197,982	967,686	863,981	2,362,956	2,061,963	(777,852)	(570,070)	1,585,104	1,491,893
Segment liabilities as at 31 March / 31 December	433,259	250,073	479,820	376,793	913,079	626,866	(352,750)	(154,494)	560,329	472,372

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12 Revenue

The Group's operations and main revenue streams are described in the last annual financial statements. The Group's main revenue is derived from contracts with customers.

Disaggregation of revenue

Revenue is disaggregated by primary segments, as disclosed in note 11.

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 2019 was 8.56% and (1.00%) respectively. (31 March 2019: (0.72%) and (0.73%), 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 2019 and 2018 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		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht/thousand shares)</i>			
Profit for the periods attributable to ordinary shareholders of the Company (basic)	<u>6,093</u>	<u>17,941</u>	<u>13,959</u>	<u>17,753</u>
Number of ordinary shares outstanding	<u>930,000</u>	<u>930,000</u>	<u>930,000</u>	<u>930,000</u>
Basic earnings per share (in Baht)	<u>0.007</u>	<u>0.019</u>	<u>0.015</u>	<u>0.019</u>

15 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. 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.

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	Carrying amount	Consolidated financial statement <u>Fair value</u> Level 2
	<i>(in thousand Baht)</i>	
31 March 2019		
<i>Financial assets measured at fair value</i>		
Mutual fund	51,598	51,598
<i>Financial liabilities not measured at fair value</i>		
Long-term loans	318,995	317,827
31 December 2018		
<i>Financial assets measured at fair value</i>		
Mutual fund	65,522	65,522
<i>Financial liabilities not measured at fair value</i>		
Long-term loans	191,567	188,498
	Carrying amount	Separate financial statements <u>Fair value</u> Level 2
	<i>(in thousand Baht)</i>	
31 March 2019		
<i>Financial assets measured at fair value</i>		
Mutual fund	12,998	12,998
<i>Financial liabilities not measured at fair value</i>		
Long-term loans	295,494	294,890
31 December 2018		
<i>Financial assets measured at fair value</i>		
Mutual fund	12,959	12,959
<i>Financial liabilities not measured at fair value</i>		
Long-term loans	168,067	165,697

The fair value of other financial assets and financial liabilities is taken to approximate their carrying value due to the relatively short-term maturity.

Measurement of fair values

Financial instruments measured at fair value

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

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Financial instruments not measured at fair value

Fair values of fixed-interest-rate long-term loans using the discounted cash flow method based on the discount rates of contracts with similar borrowing conditions.

16 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Buildings	110,983	240,238	-	-
Software	547	1,640	547	1,640
Machinery and equipment	100	3,965	-	-
Total	111,630	245,843	547	1,640
The future minimum lease payments under non- cancellable leases				
Within one year	12,160	12,075	9,809	9,761
After one year but within five years	19,788	20,746	8,624	11,490
After five years	11,904	14,428	-	-
Total	43,852	47,249	18,433	21,251
Other commitments				
Bank guarantees	55,570	55,570	53,770	53,770

17 Events after the reporting period

At the annual general meeting of the shareholders of the Company held on 24 April 2019, the shareholders approved to pay dividend from profit of Baht 0.06 per share, amounting to Baht 55.8 million. The dividend was paid to the shareholders on 7 May 2019.

At the Board of Directors' meeting held on 10 May 2019, the Board of Directors approved as follows:

- (a) a change in the credit facilities of loan to Mae Krating Power Co., Ltd., a subsidiary of the Company, from the amount not exceeding Baht 520 million to Baht 950 million.
- (b) an issuance and offering for sale of short-term bills of exchange not exceeding to Baht 250 million to specific investor (not exceeding 10 investors/bills).
- (c) a car rental contract of Mae Krating Power Co., Ltd., a subsidiary of the company, with Trans Energy Co., Ltd., a related company.

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18 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* *TFRS - Financial instruments standards*

(a) *TFRS - Financial instruments standards*

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

(b) *TFRS 16 Leases*

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the consolidated and separate financial statements.