

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

Condensed interim financial statements  
for the three-month and six-month periods ended  
30 June 2019  
and  
Independent auditor's review report

## **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 30 June 2019; the consolidated and separate statements of comprehensive income for three-month and six-month periods ended 30 June 2019, the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 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  
9 August 2019

# Sakol Energy Public Company Limited and its subsidiaries

## Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	30 June 2019 (Unaudited)	31 December 2018	30 June 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		51,925	123,254	39,073	79,377
Current investments	5	29,422	65,522	8	12,959
Trade account receivable	6	43,506	42,142	43,506	42,142
Current portion of financial lease receivable	7	18,069	17,593	18,069	17,593
Other receivables	4	59,558	47,181	10,464	11,205
Short-term loans to related party	4	-	-	159,000	16,000
Short-term loans to other party		3,000	2,300	-	-
Current portion of long-term loans to related parties	4	-	-	1,676	1,217
Inventory		2,802	-	-	-
Current spare parts and supplies		2,632	2,318	2,632	2,318
<b>Total current assets</b>		<b>210,914</b>	<b>300,310</b>	<b>274,428</b>	<b>182,811</b>
<b>Non-current assets</b>					
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	192,330	198,662	192,330	198,662
Long-term loans to related parties	4	-	-	290,060	155,783
Non-current spare parts and supplies		3,323	2,491	3,323	2,491
Investment properties		171,618	171,618	-	-
Property, plant and equipment	9	874,708	676,296	131,483	128,941
Intangible asset		116,557	116,057	5,424	4,874
Goodwill		8,077	8,077	-	-
Other non-current assets		16,608	983	7,577	982
<b>Total non-current assets</b>		<b>1,400,021</b>	<b>1,191,583</b>	<b>1,153,036</b>	<b>1,015,171</b>
<b>Total assets</b>		<b>1,610,935</b>	<b>1,491,893</b>	<b>1,427,464</b>	<b>1,197,982</b>

The accompanying notes form an integral part of the interim financial statements.

## Sakol Energy Public Company Limited and its subsidiaries

### Statement of financial position

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		30 June 2019 (Unaudited)	31 December 2018	30 June 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	10	176,765	61,257	176,765	40,000
Trade account payable		21,030	16,991	21,030	16,991
Other payables	4	44,828	168,599	15,165	11,633
Current portion of long-term loans from financial institutions	10	58,852	53,242	56,283	29,742
Current portion of finance lease and hire purchase liabilities	10	9,690	958	981	958
<b>Total current liabilities</b>		<b>311,165</b>	<b>301,047</b>	<b>270,224</b>	<b>99,324</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	10	239,090	138,325	225,212	138,325
Finance lease and hire purchase liabilities	10	40,078	553	56	553
Deferred tax liabilities		31,081	30,569	9,844	9,993
Provisions for employee benefit		717	788	717	788
Long-term provisions		1,090	1,090	1,090	1,090
<b>Total non-current liabilities</b>		<b>312,056</b>	<b>171,325</b>	<b>236,919</b>	<b>150,749</b>
<b>Total liabilities</b>		<b>623,221</b>	<b>472,372</b>	<b>507,143</b>	<b>250,073</b>

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# Sakol Energy Public Company Limited and its subsidiaries

## Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
Liabilities and equity	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
<b>Equity</b>				
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	118,845	151,881	128,402	155,934
Other components of equity	1,077	898	-	56
<b>Equity attributable to owners of the parent</b>	<b>911,841</b>	<b>944,698</b>	<b>920,321</b>	<b>947,909</b>
Non-controlling interests	75,873	74,823	-	-
<b>Total equity</b>	<b>987,714</b>	<b>1,019,521</b>	<b>920,321</b>	<b>947,909</b>
<b>Total liabilities and equity</b>	<b>1,610,935</b>	<b>1,491,893</b>	<b>1,427,464</b>	<b>1,197,982</b>

The accompanying notes form an integral part of the interim 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	
		30 June		30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Revenue</b>	<i>11</i>				
Revenue from rendering of services		59,514	81,577	59,514	81,577
Revenue from financial lease		4,962	5,181	4,962	5,181
Revenue from sales of goods		1,550	-	-	-
Other income	<i>4</i>	13,409	1,397	8,667	1,824
<b>Total revenue</b>		<b>79,435</b>	<b>88,155</b>	<b>73,143</b>	<b>88,582</b>
<b>Expenses</b>					
Costs of rendering of services		36,941	52,187	36,941	52,187
Cost of sales of goods		1,210	-	-	-
Administrative expenses		22,112	21,784	16,733	20,656
Finance costs		238	1,485	5,275	916
<b>Total expenses</b>		<b>60,501</b>	<b>75,456</b>	<b>58,949</b>	<b>73,759</b>
<b>Profit before income tax expense</b>		<b>18,934</b>	<b>12,699</b>	<b>14,194</b>	<b>14,823</b>
Tax income (expense)		(56)	159	178	159
<b>Profit for the period</b>		<b>18,878</b>	<b>12,858</b>	<b>14,372</b>	<b>14,982</b>
<b>Other comprehensive income</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Losses on remeasuring available-for-sale investments	<i>5</i>	(152)	(446)	(95)	(512)
Income tax relating to items that will be reclassified		180	-	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>28</b>	<b>(446)</b>	<b>(95)</b>	<b>(512)</b>
<i>Items that will not be reclassified to profit or loss</i>					
Income tax relating to items that will not be reclassified		(167)	-	(167)	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>(167)</b>	<b>-</b>	<b>(167)</b>	<b>-</b>
<b>Other comprehensive income (expense) for the period, net of tax</b>		<b>(139)</b>	<b>(446)</b>	<b>(262)</b>	<b>(512)</b>
<b>Total comprehensive income for the period</b>		<b>18,739</b>	<b>12,412</b>	<b>14,110</b>	<b>14,470</b>

The accompanying notes form an integral part of the interim 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	
		30 June		30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Profit (loss) attributable to:</b>					
Owners of the parent		16,734	13,132	14,372	14,982
Non-controlling interests		2,144	(274)	-	-
<b>Profit for the period</b>		<b>18,878</b>	<b>12,858</b>	<b>14,372</b>	<b>14,982</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		16,599	12,686	14,110	14,470
Non-controlling interests		2,140	(274)	-	-
<b>Total comprehensive income for the period</b>		<b>18,739</b>	<b>12,412</b>	<b>14,110</b>	<b>14,470</b>
<b>Basic earnings per share (in Baht)</b>	14	<b>0.018</b>	<b>0.014</b>	<b>0.015</b>	<b>0.016</b>

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## Sakol Energy Public Company Limited and its Subsidiaries

### Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Revenue</b>	<b>11</b>				
Revenue from rendering of services		121,432	159,550	121,432	159,550
Revenue from financial lease		9,980	10,415	9,980	10,415
Revenue from sales of goods		2,984	-	-	-
Other income	4	15,421	2,535	14,663	2,503
<b>Total revenue</b>		<b>149,817</b>	<b>172,500</b>	<b>146,075</b>	<b>172,468</b>
<b>Expenses</b>					
Costs of rendering of services		76,143	100,166	76,143	100,166
Cost of sales of goods		2,335	-	-	-
Administrative expenses		42,748	39,312	33,268	37,851
Finance costs		4,191	2,572	8,649	2,003
<b>Total expenses</b>		<b>125,417</b>	<b>142,050</b>	<b>118,060</b>	<b>140,020</b>
<b>Profit before income tax expense</b>		<b>24,400</b>	<b>30,450</b>	<b>28,015</b>	<b>32,448</b>
Tax income (expense)	12	(525)	287	316	287
<b>Profit for the period</b>		<b>23,875</b>	<b>30,737</b>	<b>28,331</b>	<b>32,735</b>
<b>Other comprehensive income</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring available-for-sale investments	5	1	24	(56)	(112)
Income tax relating to items that will be reclassified		180	-	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>181</b>	<b>24</b>	<b>(56)</b>	<b>(112)</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans		104	-	104	-
Income tax relating to items that will not be reclassified		(167)	-	(167)	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(63)</b>	<b>-</b>	<b>(63)</b>	<b>-</b>
<b>Other comprehensive income (expense) for the period, net of tax</b>		<b>118</b>	<b>24</b>	<b>(119)</b>	<b>(112)</b>
<b>Total comprehensive income for the period</b>		<b>23,993</b>	<b>30,761</b>	<b>28,212</b>	<b>32,623</b>

The accompanying notes form an integral part of the interim financial statements.



## Sakol Energy Public Company Limited and its Subsidiaries

### Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Profit (loss) attributable to:</b>					
Owners of the parent		22,827	31,073	28,331	32,735
Non-controlling interests		1,048	(336)	-	-
<b>Profit for the period</b>		<b>23,875</b>	<b>30,737</b>	<b>28,331</b>	<b>32,735</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		22,943	31,097	28,212	32,623
Non-controlling interests		1,050	(336)	-	-
<b>Total comprehensive income (expense) for the period</b>		<b>23,993</b>	<b>30,761</b>	<b>28,212</b>	<b>32,623</b>
<b>Basic earnings per share (in Baht)</b>	14	<b>0.025</b>	<b>0.033</b>	<b>0.030</b>	<b>0.035</b>

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## 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	Non- controlling interests	Total equity
			Legal reserve	Unappropriated	Available-for-sale investments	attributable to owners of the parent		
<i>(in thousand Baht)</i>								
<b>Six-month period ended 30 June 2018</b>								
<b>Balance at 1 January 2018</b>	465,000	297,619	26,000	96,401	905	885,925	-	885,925
<b>Changes in ownership interests in subsidiaries</b>								
Acquisition of non-controlling interests through business combination	-	-	-	-	-	-	16,104	16,104
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	54,960	54,960
<b>Total changes in ownership interest in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,064</b>	<b>71,064</b>
<b>Comprehensive income for the period</b>								
Profit (loss)	-	-	-	31,073	-	31,073	(336)	30,737
Other comprehensive income	-	-	-	-	24	24	-	24
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,073</b>	<b>24</b>	<b>31,097</b>	<b>(336)</b>	<b>30,761</b>
<b>Balance at 30 June 2018</b>	<b>465,000</b>	<b>297,619</b>	<b>26,000</b>	<b>127,474</b>	<b>929</b>	<b>917,022</b>	<b>70,728</b>	<b>987,750</b>

The accompanying notes form an integral part of the interim 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	Non- controlling interests	Total equity
				Legal reserve	Unappropriated	Available-for-sale investments	attributable to owners of the parent		
<i>(in thousand Baht)</i>									
<b>Six-month period ended 30 June 2019</b>									
<b>Balance at 1 January 2019</b>		465,000	297,619	29,300	151,881	898	944,698	74,823	1,019,521
<b>Transactions with owners, recorded directly in equity</b>									
<i>Contributions by and distributions to owners of the parent</i>									
Dividends	13	-	-	-	(55,800)	-	(55,800)	-	(55,800)
<b>Total contributions by and distributions to owners of the parent</b>		-	-	-	<b>(55,800)</b>	-	<b>(55,800)</b>	-	<b>(55,800)</b>
<b>Comprehensive income for the period</b>									
Profit		-	-	-	22,827	-	22,827	1,048	23,875
Other comprehensive income (expense)		-	-	-	(63)	179	116	2	118
<b>Total comprehensive income for the period</b>		-	-	-	<b>22,764</b>	<b>179</b>	<b>22,943</b>	<b>1,050</b>	<b>23,993</b>
<b>Balance at 30 June 2019</b>		<b>465,000</b>	<b>297,619</b>	<b>29,300</b>	<b>118,845</b>	<b>1,077</b>	<b>911,841</b>	<b>75,873</b>	<b>987,714</b>

The accompanying notes form an integral part of the interim financial statements.

## Sakol Energy Public Company Limited and its Subsidiaries

### Statement of changes in equity (Unaudited)

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity	
			Legal reserve	Unappropriated	Available-for-sale investments	
<i>(in thousand Baht)</i>						
<b>Six-month period ended 30 June 2018</b>						
<b>Balance at 1 January 2018</b>	465,000	297,619	26,000	95,637	356	884,612
<b>Comprehensive income for the period</b>						
Profit	-	-	-	32,735	-	32,735
Other comprehensive income (expense)	-	-	-	-	(112)	(112)
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,735</b>	<b>(112)</b>	<b>32,623</b>
<b>Balance at 30 June 2018</b>	<b>465,000</b>	<b>297,619</b>	<b>26,000</b>	<b>128,372</b>	<b>244</b>	<b>917,235</b>

The accompanying notes form an integral part of the interim financial statements.

**Sakol Energy Public Company Limited and its Subsidiaries**  
**Statement of changes in equity (Unaudited)**

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated	Available-for-sale investments	
<i>(in thousand Baht)</i>							
<b>Six-month period ended 30 June 2019</b>							
<b>Balance at 1 January 2019</b>		465,000	297,619	29,300	155,934	56	947,909
<b>Transactions with owners, recorded directly in equity</b>							
<i>Contributions by and distributions to owners</i>							
Dividends	13	-	-	-	(55,800)	-	(55,800)
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(55,800)</b>	<b>-</b>	<b>(55,800)</b>
<b>Comprehensive income for the period</b>							
Profit		-	-	-	28,331	-	28,331
Other comprehensive income (expense)		-	-	-	(63)	(56)	(119)
<b>Total comprehensive income (expense) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>28,268</b>	<b>(56)</b>	<b>28,212</b>
<b>Balance at 30 June 2019</b>		<b>465,000</b>	<b>297,619</b>	<b>29,300</b>	<b>128,402</b>	<b>-</b>	<b>920,321</b>

The accompanying notes form an integral part of the interim financial statements.

**Sakol Energy Public Company Limited and its Subsidiaries**  
**Statement of cash flows (Unaudited)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	23,875	30,737	28,331	32,735
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax (income) expense	525	(287)	(316)	(287)
Finance costs	4,191	2,572	8,649	2,003
Depreciation and amortisation	8,503	4,245	4,546	4,245
Gains on disposal of mutual fund	(299)	(1,345)	(105)	(1,344)
Loss on disposal of equipments	62	-	62	-
Employee benefit expenses	91	179	91	179
Interest income	(288)	(290)	(12,730)	(502)
	<u>36,660</u>	<u>35,811</u>	<u>28,528</u>	<u>37,029</u>
<i>Changes in operating assets and liabilities</i>				
Trade account receivable	(1,364)	(1,672)	(1,364)	(1,672)
Other receivables	(13,197)	(10,160)	7,383	(588)
Financial lease receivable	5,856	5,422	5,856	5,422
Inventory	(2,802)	-	-	-
Spare parts and supplies	(1,146)	(1,476)	(1,146)	(1,476)
Other non-current assets	(9,644)	-	(6,595)	-
Trade accounts payable	4,039	9,641	4,039	9,641
Other payables	329	997	(411)	(3,674)
Employee benefits paid	(58)	(220)	(58)	(220)
Net cash generated from operating	<u>18,673</u>	<u>38,343</u>	<u>36,232</u>	<u>44,462</u>
Taxes paid	<u>(2,741)</u>	<u>(3,081)</u>	<u>(2,441)</u>	<u>(3,051)</u>
<b>Net cash from operating activities</b>	<b><u>15,932</u></b>	<b><u>35,262</u></b>	<b><u>33,791</u></b>	<b><u>41,411</u></b>

The accompanying notes form an integral part of the interim financial statements.

## Sakol Energy Public Company Limited and its Subsidiaries

### Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Proceeds from sale of mutual fund	36,400	553,010	13,000	552,940
Acquisition of mutual fund	-	(243,100)	-	(242,700)
Acquisition of debt securities held to maturity	-	(60,000)	-	(60,000)
Proceeds from debt securities held to maturity	-	60,000	-	60,000
Short-term loan to other party	(3,000)	-	-	-
Short-term loans to related parties	-	-	(159,000)	(12,000)
Long-term loans to related parties	-	-	(135,000)	-
Proceeds from short-term loans to other parties	2,300	-	-	-
Proceeds from short-term loans to related parties	-	-	16,000	-
Proceeds from long-term loans to related parties	-	-	264	-
Decreased in restricted deposits at financial institutions	599	-	599	-
Acquisition of business, net of cash acquired	-	(88,497)	-	-
Acquisition of investments in subsidiary	-	-	-	(89,500)
Cash outflow on increase in share capital of subsidiary	-	-	-	(216,340)
Proceeds from non controlling interest of increase share capital in subsidiary	-	54,960	-	-
Proceeds from sale of equipments	10	-	10	-
Acquisition of buildings and equipment	(330,930)	(163,224)	(7,053)	(8,488)
Proceeds from sale of intangible asset	(658)	(1,141)	(658)	(1,141)
Interest received	312	290	14,905	234
<b>Net cash from (used in) investing activities</b>	<b>(294,967)</b>	<b>112,298</b>	<b>(256,933)</b>	<b>(16,995)</b>
<b><i>Cash flows from financing activities</i></b>				
Proceeds from short-term loans from financial institutions	158,600	80,000	158,600	80,000
Proceeds from long-term loans from financial institutions	133,650	30,000	133,650	30,000
Repayment of short-term loans from financial institutions	(43,257)	(80,000)	(22,000)	(80,000)
Repayment of long-term loans from financial institutions	(27,509)	(56,984)	(20,417)	(56,984)
Proceeds from finance lease liabilities	51,811	-	-	-
Repayment of finance lease and hire purchase liabilities	(4,188)	(614)	(505)	(670)
Dividends paid to shareholder of the company	(55,800)	-	(55,800)	-
Interest paid	(5,601)	(2,799)	(10,690)	(2,173)
<b>Net cash from (used in) financing activities</b>	<b>207,706</b>	<b>(30,397)</b>	<b>182,838</b>	<b>(29,827)</b>
<b>Net increase (decreased) in cash and cash equivalents</b>	<b>(71,329)</b>	<b>117,163</b>	<b>(40,304)</b>	<b>(5,411)</b>
Cash and cash equivalents at beginning of period	123,254	21,785	79,377	21,561
<b>Cash and cash equivalents at ending of period</b>	<b>51,925</b>	<b>138,948</b>	<b>39,073</b>	<b>16,150</b>
<b><i>Non-cash transactions</i></b>				
Other payables of building and equipment purchased	<b>29,209</b>	-	-	-

The accompanying notes form an integral part of the interim financial statements.

**Sakol Energy Public Company Limited and its Subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2019 (Unaudited)**

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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 9 August 2019.

**1 General information**

The principal activity of the Company is compression of natural gas to PTT Public Company Limited. The Group operates in energy industry.

**2 Basis of preparation of the interim financial statements**

*(a) Statement of compliance*

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *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.

*(b) Use of judgements, estimates and accounting policies*

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation 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 additional 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 *Revenue from Contracts with Customers* (“TFRS 15”) which the Group has initially adopted to replace TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS11”) and related interpretations.

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.

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In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for current period 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 17.

**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.

**4 Related parties**

Relationships with subsidiaries are described in notes 8. Other related parties which have material changes in relationships and that the Group had significant transactions during the period with were as follows:

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
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

Material changes in pricing policies during the six-month period ended 30 June 2019 are as follows:

<b>Transactions</b>	<b>Pricing policies</b>
Purchase of raw materials	Contractually agreed price

**Sakol Energy Public Company Limited and its Subsidiaries**  
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Significant transactions for the three-month and six-month periods ended 30 June with related parties were as follows:

<i>Three-month period ended 30 June</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Management income	-	-	348	206
Other service income	-	-	114	19
Interest income	-	-	7,719	268
Rental expense	-	-	-	9
<b>Other related parties</b>				
Utility income	46	52	46	52
Purchase of raw materials	2,340	-	-	-
Rental expense	150	-	-	-
Other service expense	187	-	-	-
<b>Key management personnel</b>				
Short-term employee benefits	3,918	3,378	3,711	3,701
Post-employment benefits	-	1	-	1
<b>Total key management personnel compensation</b>	<b><u>3,918</u></b>	<b><u>3,379</u></b>	<b><u>3,711</u></b>	<b><u>3,702</u></b>
<i>Six-month period ended 30 June</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Management income	-	-	526	206
Other service income	-	-	444	19
Interest income	-	-	12,420	268
Rental expense	-	-	-	23
<b>Other related parties</b>				
Utility income	86	96	86	96
Purchase of raw materials	2,340	-	-	-
Rental expense	150	-	-	-
Other service expense	187	-	-	-
<b>Key management personnel</b>				
Short-term employee benefits	7,135	7,491	6,928	7,414
Post-employment benefits	-	1	-	1
<b>Total key management personnel compensation</b>	<b><u>7,135</u></b>	<b><u>7,492</u></b>	<b><u>6,928</u></b>	<b><u>7,415</u></b>

**Sakol Energy Public Company Limited and its Subsidiaries**  
**Notes to the condensed interim financial statements**  
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Balances as at 30 June 2019 and 31 December 2018 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
<b><i>Other receivables - related parties</i></b>				
B.P. 15 Company Limited	876	-	-	-
Transuwan Company Limited	31	25	31	25
<b>Total</b>	<b>907</b>	<b>25</b>	<b>31</b>	<b>25</b>
<b><i>Other payables - related parties</i></b>				
N15 Technology Company Limited	150	-	-	-
B.P. 15 Company Limited	9	-	-	-
PTC Holding Company Limited	6	-	-	-
<b>Total</b>	<b>165</b>	<b>-</b>	<b>-</b>	<b>-</b>

Movements during the six-month periods ended 30 June 2019 of loans to related parties were as follows:

	<b>Interest rate</b>		<b>Separate financial statements</b>			
	31 December 2018	30 June 2019	31 December 2018	Increase	Decrease	30 June 2019
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b><i>Short-term loan to related party</i></b>						
<b>Subsidiary</b>						
Mae Krating Power Company Limited	MOR+2.75	MOR+2.75, 10.46	16,000	159,000	(16,000)	159,000
<b>Total</b>			<b>16,000</b>			<b>159,000</b>
<b><i>Long-term loan to related parties</i></b>						
<b>Subsidiaries</b>						
Mae Krating Power Company Limited	MLR+0.25	MLR+0.25	145,000	135,000	-	280,000
RE Biofuels Company Limited	8.0	8.0	12,000	-	(264)	11,736
<b>Total</b>			<b>157,000</b>			<b>291,736</b>

**Sakol Energy Public Company Limited and its Subsidiaries**  
**Notes to the condensed interim financial statements**  
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**5 Current investments**

Movements during the six-month periods ended 30 June 2019 of marketable equity were as follows:

	<b>Consolidated financial statements</b>				
	At 31 December 2018	Purchase	Disposal	Fair value adjustment	At 30 June 2019
	<i>(in thousand Baht)</i>				
<b><i>Current investments</i></b>					
Available-for-sale securities					
- mutual fund	<u>65,522</u>	-	(36,101)	1	<u>29,422</u>
<b>Total</b>	<u><b>65,522</b></u>				<u><b>29,422</b></u>
	<b>Separate financial statements</b>				
	At 31 December 2018	Purchase	Disposal	Fair value adjustment	At 30 June 2019
	<i>(in thousand Baht)</i>				
<b><i>Current investments</i></b>					
Available-for-sale securities					
- mutual fund	<u>12,959</u>	-	(12,895)	(56)	<u>8</u>
<b>Total</b>	<u><b>12,959</b></u>				<u><b>8</b></u>

**6 Trade account receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Other party - current	<u><b>43,506</b></u>	<u><b>42,142</b></u>	<u><b>43,506</b></u>	<u><b>42,142</b></u>

Trade accounts receivable of the Group as at 30 June 2019 are within credit term.

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

**Sakol Energy Public Company Limited and its Subsidiaries**  
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**7 Financial lease receivable**

	<b>Consolidated financial statements / Separate financial statements</b>							
	Within one year		After one year but within five years		After five years		Total	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>							
Financial lease receivables	37,320	37,320	126,690	126,690	175,013	190,849	339,023	354,859
Less deferred interest income	(19,251)	(19,727)	(65,661)	(68,119)	(43,712)	(50,758)	(128,624)	(138,604)
<b>Net</b>	<b>18,069</b>	<b>17,593</b>	<b>61,029</b>	<b>58,571</b>	<b>131,301</b>	<b>140,091</b>	<b>210,399</b>	<b>216,255</b>

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.

**Sakol Energy Public Company Limited and its Subsidiaries**  
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**8 Investments in subsidiaries**

Investments in subsidiaries as at 30 June 2019 and 31 December 2018, and dividend income from those investments for six-month periods ended 30 June were as follows:

	Type of business	Separate financial statements						Dividend income for the six-month period ended	
		Ownership interest		Paid share capital		Cost		30 June	30 June
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 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	-	-
<b>Total</b>				<b>499,300</b>	<b>499,300</b>	<b>507,839</b>	<b>507,839</b>	<b>-</b>	<b>-</b>

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.

**Sakol Energy Public Company Limited and its Subsidiaries**  
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**9 Property, plant and equipment**

Acquisitions, disposals and transfers of plant and equipment during the six-month periods ended 30 June 2019 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	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	504	-	-	-
Machinery and equipment	59,569	-	-	-
Electrical system	961	-	-	-
Tools	289	72	16	72
Furniture, fixtures and office equipment	889	-	672	-
Assets under construction and installation	206,234	59,569	6,365	-
<b>Total</b>	<b>208,877</b>	<b>59,641</b>	<b>7,053</b>	<b>72</b>

**10 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>			
	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	191,567	1,511	254,335
Changes from financing cash flows	115,343	106,141	47,623	269,107
Other non-cash movement	165	234	634	1,033
<b>Balance at 30 June 2019</b>	<b>176,765</b>	<b>297,942</b>	<b>49,768</b>	<b>524,475</b>

  

	<b>Separate financial statements</b>			
	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	136,600	113,233	(505)	249,328
Other non-cash movement	165	195	31	391
<b>Balance at 30 June 2019</b>	<b>176,765</b>	<b>281,495</b>	<b>1,037</b>	<b>459,297</b>

In February 2019, the Company drawdown a long-term loan of Baht 135 million from a financial institution. This long-term loan is repayable in 72 monthly installments of Baht 1.875 million each effective from March 2019, with interest rate at MLR-2.5% per annum. The loan agreement contains certain covenants and restrictions such as loan guarantees and maintenance of certain financial ratios etc.



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Secured interest-bearing liabilities as at 30 June 2019 and 31 December 2018 were secured on the following assets:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Property, plant and equipment	224,675	131,623	122,975	103,258
Investment properties	100,983	100,983	-	-
	<u><b>325,658</b></u>	<u><b>232,606</b></u>	<u><b>122,975</b></u>	<u><b>103,258</b></u>

As at 30 June 2019 the Group and the Company had unutilised credit facilities totaling Baht 157 million and Baht 116 million, respectively.

***Finance lease liabilities***

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 30 June 2019, the net book value of machinery and equipment under the agreement was Baht 39.66 million.

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**11 Segment information and disaggregation of revenue**

*Information about reportable segments and disaggregation of revenue by product and service lines*

<i>Three-month period ended 30 June</i>	<b>Natural gas compression</b>		<b>Others</b>		<b>Total</b>		<b>Elimination of inter-segment</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>									
External revenue										
- Revenue from rendering of services	59,514	81,577	-	-	59,514	81,577	-	-	59,514	81,577
- Revenue from financial lease	4,962	5,181	-	-	4,962	5,181	-	-	4,962	5,181
- Revenue from sales of goods	-	-	1,550	-	1,550	-	-	-	1,550	-
Other income	8,667	1,824	12,923	74	21,590	1,898	(8,181)	(501)	13,409	1,397
<b>Total</b>	<b>73,143</b>	<b>88,582</b>	<b>14,473</b>	<b>74</b>	<b>87,616</b>	<b>88,656</b>	<b>(8,181)</b>	<b>(501)</b>	<b>79,435</b>	<b>88,155</b>
Segment profit (loss) before income tax	14,194	14,823	7,769	(1,856)	21,963	12,967	(3,029)	(268)	18,934	12,699

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<i>Six-month period ended</i> <i>30 June</i>	<b>Natural gas compression</b>		<b>Others</b>		<b>Total</b>		<b>Elimination of inter-segment</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>									
External revenue										
- Revenue from rendering of services	121,432	159,550	-	-	121,432	159,550	-	-	121,432	159,550
- Revenue from financial lease	9,980	10,415	-	-	9,980	10,415	-	-	9,980	10,415
- Revenue from sales of goods	-	-	2,984	-	2,984	-	-	-	2,984	-
Other income	14,663	2,503	14,148	547	28,811	3,050	(13,390)	(515)	15,421	2,535
<b>Total</b>	<b>146,075</b>	<b>172,468</b>	<b>17,132</b>	<b>547</b>	<b>163,207</b>	<b>173,015</b>	<b>(13,390)</b>	<b>(515)</b>	<b>149,817</b>	<b>172,500</b>
Segment profit (loss) before income tax	28,015	32,448	3,600	(1,730)	31,615	30,718	(7,215)	(268)	24,400	30,450
Segment assets as at 30 June / 31 December	1,427,464	1,197,982	1,043,839	863,981	2,471,303	2,061,963	(860,368)	(570,070)	1,610,935	1,491,893
Segment liabilities as at 30 June / 31 December	507,143	250,073	553,173	376,793	1,060,316	626,866	(437,095)	(154,494)	623,221	472,372

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**12 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 six-month period ended 30 June 2019 was 2.15% and (1.13%), respectively. (30 June 2018: (0.94%) and (0.88%), 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.

**13 Dividends**

The dividends paid by the Group to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2019</i>				
Annual dividend	24 April 2019	7 May 2019	<u>0.06</u>	<u>55.8</u>

**14 Basic earnings per share**

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht/thousand shares)</i>			
<b><i>Three-month period ended</i></b>				
<b><i>30 June</i></b>				
Profit for the periods attributable to ordinary shareholders of the Company (basic)	<u>16,734</u>	<u>13,132</u>	<u>14,372</u>	<u>14,982</u>
Number of ordinary shares outstanding	<u>930,000</u>	<u>930,000</u>	<u>930,000</u>	<u>930,000</u>
<b>Basic earnings per share (in Baht)</b>	<b><u>0.018</u></b>	<b><u>0.014</u></b>	<b><u>0.015</u></b>	<b><u>0.016</u></b>
<b><i>Six-month period ended</i></b>				
<b><i>30 June</i></b>				
Profit for the periods attributable to ordinary shareholders of the Company (basic)	<u>22,827</u>	<u>31,073</u>	<u>28,331</u>	<u>32,735</u>
Number of ordinary shares outstanding	<u>930,000</u>	<u>930,000</u>	<u>930,000</u>	<u>930,000</u>
<b>Basic earnings per share (in Baht)</b>	<b><u>0.025</u></b>	<b><u>0.033</u></b>	<b><u>0.030</u></b>	<b><u>0.035</u></b>

**Sakol Energy Public Company Limited and its Subsidiaries**  
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**15 Financial instruments**

*Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, 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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Carrying amount	Fair value Level 2 <i>(in thousand Baht)</i>	Carrying amount	Fair value Level 2
<b>30 June 2019</b>				
<i>Financial assets measured at fair value</i>				
Mutual fund	29,422	29,422	8	8
<i>Financial assets and financial liabilities not measured at fair value</i>				
Long term loans to	-	-	291,736	291,961
Long term loans from	297,942	295,910	281,495	279,726
<b>31 December 2018</b>				
<i>Financial assets measured at fair value</i>				
Mutual fund	65,522	65,522	12,959	12,959
<i>Financial assets and financial liabilities not measured at fair value</i>				
Long term loans to	-	-	157,000	157,421
Long term loans from	191,567	188,498	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**

When measuring the fair value of an asset or a liability, the Group uses observable market 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.

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**Financial instruments measured at fair value**

Mutual fund is stated at fair value using the price or yield announced on the date the investment is valued.

**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**

<i>As at 30 June 2019</i>	<b>Consolidated financial statement</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>Capital commitments</b>		
<i>Contracted but not provided for:</i>		
Buildings	68,894	-
Software	547	547
Machinery and equipment	6,376	6,276
<b>Total</b>	<b>75,817</b>	<b>6,822</b>
<b>The future minimum lease payments under non-cancellable leases</b>		
Within one year	45,913	10,535
After one year but within five years	80,986	6,492
After five years	13,427	-
<b>Total</b>	<b>140,327</b>	<b>17,027</b>
<b>Other commitments</b>		
Bank guarantees	55,570	53,770
<b>Total</b>	<b>55,570</b>	<b>53,770</b>

**17 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:

<b>TFRS</b>	<b>Topic</b>
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

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*(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. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled

*(b) TFRS 16 Leases*

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.