



รายงาน ประจำปี 2556
Annual Report 2013

บริษัท ซีออยล์ จำกัด (มหาชน)

SeaOil





Vision

*“To be one of Leading Companies in International Bunkering,
Oil Trading & Supply Management”*

Mission

1. Develop business management with new technology
2. Always keep customer relationship, satisfaction and create value added to customers
3. Expand International Bunkering , Oil Trading and Supply management business to various groups of customers continuously
4. Build business partnership
5. Build company Image in the market
6. Manage business based on Corporate Governance Concept
7. Develop employee in business skill and efficiency



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SEA OIL

SeaOil

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Market for Alternative Investment

SEA OIL BID/ASK/PRICE				SEA OIL BID/ASK/PRICE			
BEST BID		BEST OFFER		OPEN PRICE		CURRENT TIME	
3.54		3.56		3.50		10:26:53	
VOLUME	BID	OFFER	VOLUME	PROJECTED/LAST		HIGH	3.58
798,700	3.54	3.56	497,100	3.56		LOW	3.50
1,844,800	3.52	3.58	1,332,300	CHANGE		% CHANGE	+3.19%
1,144,300	3.50	3.60	1,498,400	+0.11		VALUE	295.67M
1,088,500	3.48	3.62	1,217,600	VOLUME		82,739,500	
	3.46	3.64					



1st Trading Day



Message from the Chairman of the Board of Directors

In 2013, overall economic all over the world is still fluctuate and weak due to the reduction of economic expansion of many countries. With regard to the situation of world oil price, it tends to increase slightly because the members of Organization of Petroleum Exporting Countries (OPEC) are still able to maintain the production level in order to keep the oil price at the satisfactory level for the members. For Thai economy in year 2013, the expansion rate is low, especially for the second half of the year. Both domestic and overseas demands are slow down and the export and import of goods decreased.

However, for Sea Oil's operation, the main group of customers is significantly related to the industrial expansion of offshore oil and gas exploration, as well as the production and sale of fuel oil in Thailand. In 2013, this industry slightly expands as compared to 2012, resulting in 38 percent increase of the amount of oil sold to the customer in the group of drilling rig supporting ship sold in 2013 as compared to 2012. Company's achievement in 2013 still conforms to the target of business growth of the Company. For the distribution of fuel oil from the sea and Supply Management business, in the midst of the fluctuate economy, Sea Oil still aims to elevate the Company to international standard by registered in Market for Alternative Investment (MAI) in September 2013 in order to add value to the organization and make the Company become well known in global market in order to support the business expansion in the future and get ready to enter into ASEAN Economic Community (AEC) around end of 2015.

The Board of Director and Company's executive still believe in the potential of the organization that will develop continuously and securely. Apart from that, we are aiming for administration system and business strategies in order to align with current situation under good governance, so that the Company will be ready in every term, including goods quality, service providing, human resource development and creating business alliance and achieve the Company's target to be business leader for fuel oil distribution by sea, international oil trading, and the business of acquisition and service providing.

Lastly, I, on behalf of Board of Directors, would like to thank the shareholders, customers, business partners, financial institutions, as well as those who have supported us for your trust and supports for Company's business for all the time. Apart from that, I would like to thank all Company's management and staffs for dedicating to the administration and performing your duties on your best effort until achieving the target of the Company. Please be assured that the Company will adhere to the intention to run the business under code of ethic and good governance, and to take responsibility for society and environment, so that the Company will develop and improve sustainably and generate good return to shareholders and all interested persons.




Mr. Apisit Rujikeatkamjorn
Chairman of the Board of Director

Audit Committee's Report

Audit Committee of Sea Oil Public Company Limited consisted of 3 Independent Directors who are expert and experienced in accounting and finance, legal, and administration. Apart from that they also hold a complete qualification stipulated by the Securities and Exchange Commission. Current members of Audit Committee are:-

- | | |
|------------------------------------|-----------------------------|
| 1. Assoc. Prof. Dr. Ruth Banomyong | Chairman of Audit Committee |
| 2. Mr. Taweeep Soontornsingha | Member of Audit Committee |
| 3. Dr. Chalermwit Chimtragoon | Member of Audit Committee |

Audit Committee performs their duty as per the scope and responsibility entrusted by the Board of Directors as stated in Audit Committee Charter and conforms to the announcement of the Stock Exchange of Thailand.

In 2013, Audit Committee arranged 4 meetings and all committee members attended every meeting. Each meeting was arranged for discussion with auditor, internal auditor, Managing Director, executives in Accounting and Finance Division, and executives in other divisions relevant to the agendas. Apart from that there was 1 meeting arranged without any executives attended. The meeting was arranged for the discussion with auditor and internal auditor, in order to discuss the important issues independently and acknowledge of performance, findings, including problems and obstacle during the operation. Audit Committee reports their performance to the Board of Directors on quarterly basis, which can be summarized as follows:-

❖ Review of Financial Report

Audit Committee reviewed quarterly financial statement and annual financial statement, significant accounting policies, significant financial movement, as well as acknowledging auditor's findings and comments. Audit Committee saw that financial report of the Company was done according to generally accepted auditing standards and the subject matters of the report are correct according to the financial reporting standards and the disclosure of information is complete, adequate, and in timely manner for benefits of shareholders, investors, or people who have to use this financial statement for decision making.

❖ Examine the adequacy of internal control system and internal audit system

Audit Committee conducted the annual review and evaluation of adequacy of internal control system and proposed to Board of Directors in order to ensure that the company runs its operation effectively, efficiently, and successfully as per the target. The review and evaluation was done by examining of internal audit report and auditor's opinion on operational process and the control of major working system of the company. There was no significant weakness and error detected.

With regard to internal audit system, Audit Committee examined, selected, and appointed internal audit of the company by considering on independence in the operation, quality of the audit work, and knowledge in the profession. Audit Committee also considers and approves the annual internal audit plan and audit report in each quarter, as well as following up the improvement of the operation according to internal audit suggestion on quarterly basis in order to make sure that the internal audit system is effective and efficient.

In overall, Audit Committee saw that the Company has internal control system and internal audit system that are effective, adequate, and suitable for current business operation and the systems are continuously improved.

❖ Review on regulatory compliance

Audit Committee reviewed company's operation through Compliance Division so that the operation of the company conforms to securities and exchange laws, securities exchange regulations, and laws that are related to the Company's business. Audit Committee saw that the Company conforms to all relevant regulations, laws, and rules.

❖ Examine the transactions that are connected and may cause dispute of interest

Audit Committee examined the transactions that are connected or the transaction may cause dispute of interest to ensure that they comply with law and regulations of the Stock Exchange of Thailand. The committee saw that Administration Division conducted connected transaction in the same way as normal transaction with trading condition and a reasonable price used for the outsider in general, and to gain highest benefits for company's operation. The company complies with the policy and reveals information completely, according the Stock Exchange of Thailand's regulations.

❖ Select the auditor, propose the auditor appointment, and consider on the audit fee

Audit Committee selected the auditor, proposed to appoint the auditor, and considered on the audit fee by reviewing auditor's qualification according to announcement of the Office of The Securities and Exchange Commission, quality of the audit work, independence in the operation, knowledge in the profession, experience in performing audit work for the same or similar type of business as the company, and the ability to provide useful suggestion to the Company, as well as the appropriateness of the audit fee. Based on the examination, The committee agreed to propose to appoint auditors from A.M.T. Associates to be auditors of the company for year 2014 and considered the appropriate audit fee to propose to the Board of Directors and further submitted to Shareholders' meeting for approval.

❖ Overall comments and remarks from the operation as per the Charter

For year 2013, Audit Committee has an overall comment that the Audit Committee performs their duty independently and completely as per Audit Committee Charter and sees that the reports of financial information and operation are complete and correct. The internal control system, internal audit system, and risk management are appropriate, adequate, and effective. The company complies with laws, regulations, and obligations and reveals the connected transactions correctly. The operational systems of the company are developed to improve the quality and to be suitable for current business environment continuously. Apart from that, the administration of the Company also conforms to good governance policy.

On behalf of Audit Committee,
Sea Oil Public Company Limited



Assoc. Prof. Dr. Ruth Banomyong

Chairman of Audit Committee

Policy and business overview

History and important developments

Sea Oil Public Company Limited (the “Company”) is a company in Nathalin Group. The Company was established on 26 May 1997, with total registered capital of THB 1 million. Currently, the Company’s registered capital is THB 180 million and its Issued and paid-up share capital is THB 180 million. The purpose of the Company is to supply and distribute fuel and lubricant business for different types of vessels such as liners, oil tankers, and others. The Company’s oil supplies come from major oil producers/traders and are sold to both domestic and foreign customers in Singapore, Laos, Cambodia, Myanmar, etc. The Company has no investment in fixed assets such as oil tanks and oil transportation vehicles. The Company will recruit independent transporters if needed by its customers.

In October 2010, the Company expanded its business to cover fuel and lubricant sale for factories and other businesses such as land transportation vehicles and buses, which gave the Company more service channels for its customers.

In July 2011, the Company started catering and service business for accommodation barge for staff stationed at oil and natural gas drilling rigs in the Gulf of Thailand

In September 2012, the Company commenced provision of raw materials for preparation of food and general supply for liners, supply and service boats, crew boats, and oil and natural gas drilling rigs in the sea, which was intended to expand catering and service business and to utilize the Company’s fuel and lubricant customer database. These customers need food supply and other kinds of supplies for navigation in order to increase the Company’s income.

Important changes and developments in 2013

February 2013	The Company reduced its registered capital from THB 160 million to THB 110 million, and increased its registered capital from THB 110 million to THB 180 million by proposing selling ordinary shares to directors and executives of the Company and those of Nathalin Group, and ordinary people. There were 70,000,000 stocks, and the value of each stock is THB 1.
July 2013	The Company expanded its catering, cleaning and laundry service business for staff stationed at oil and gas drilling field onshore.
August 2013	The Company increased its paid-up share capital of THB 180 million, consisting of 180 million stocks, and the value of each stock is THB 1.
September 2013	The Company registered its ordinary shares in the Market for Alternative Investment (MAI).
December 2013	The Company received a letter of award from PTT Exploration and Production Public Company Limited appointing it as a catering and service provider for its staff stationed at oil drilling rigs in the sea starting in February 2014.

Important changes in registered capitals in the past three years

2011 In May, the Company increased its registered capital from THB 40 million to THB 110 million by proposing selling 700,000 ordinary shares, each of which was THB 100. Nathalin Group reduced its shares to 81.8% of the Company's whole ordinary shares, and to 77.27% in September 2011.

In August, the Company transformed into a public company limited and changes its stock value from THB 100 per stock to THB 1 per stock.

2012 In April, the Company increased its registered capital from THB 110 million to THB 160 million by proposing selling 50,000,000 ordinary shares to directors and executives of the Company and to people, each of which was THB 1.

2013 In February, the Company reduced its registered capital from THB 160 million to THB 110 million, and increased its registered capital from THB 110 million to THB 180 million by proposing selling 70,000,000 ordinary shares to directors and executives of the Company and those of Nathalin Group, including to ordinary people. Each stock is THB 1.

In August, the Company increased its paid-up share capital of THB 180 million, consisting of 180 million stocks and the value of each stock is THB 1.

Business overview

The Company started its business by providing fuels and lubricants for sea vessels such as tankers, fisherman boats, and reefer vessels. The Company's customers were domestic and international liners, and liners from foreign countries. The Company supplied fuels such as high speed diesel oil, fuel oil, and lubricants for its customers. Each type of liners requires different fuels and lubricants.

Nowadays, the Company mainly supplies fuels and lubricants for marine customers. Since 2010, the Company expanded its business to cover supplying fuels for land customers, namely factories and customers in different types of business such as land transportation and buses. In addition, the Company also supplies fuels and lubricants to fulfill foreign customers' needs. The Company's foreign customers are in Singapore, Laos, Cambodia, and Myanmar, for example.

Fuels supplied by the Company are marine fuels, lubricants, and benzene. The Company has no need to invest in fixed assets for its business. When the Company receives customer's purchase order, it seeks to obtain products from both domestic and foreign oil suppliers. In case customer needs the Company to deliver the products, it hires an independent transporter to deliver the oil to customer's defined destination. For customers who would like to receive fuels in the sea, the Company hires oil transporter to deliver the product to them. If customer has a ship at a port or a customer on land, the Company hires tank trucks to deliver the product to customer's defined destination. The Company has a policy to send its inspector on board transport vehicle from loading port to destination to ensure that product specification and quantity is correct, and delivery is on time, so that customer feels confident and relies on the Company.

The Company's profit is derived from the difference between oil cost, including other price-related costs, and selling prices. Since its establishment, the Company has had continuous profits annually. During 2011-2013, its net profit were 1.80% ,2.27% and 2.96% respectively.

The Company is registered as oil trader pursuant to Section 10, which sales quantity of each type or all types of oil is 30,000 metric tons or more annually (approximately 36 million liters) but not more than 100,000 metric tons (approximately 120 million liters). In case of LPG trader, the quantity is less than 50,000 metric tons and more than 30,000 metric tons annually, or a trader with storage tank of each type or all types more than 200,000 liters. The quantity of oil sold annually is all fuels imported, purchased, refined, produced, or obtained annually, excluding quantity procured for legal reserve.

In addition, the Company provides food, raw materials, and other services (supply management) for staff stationed at oil and gas drilling rigs offshore and onshore. Since the Company's customers are supply and service boats, and crew boats, it sees the prospect to expand catering and services to this oil and gas segment.

The Company is a subsidiary of Nathalin Company Limited ("Nathalin). Nathalin Group's business is associated with oil transportation by vessel. Nathalin Company Limited has provided oil transport by sea for more than 25 years. The Company is the only company in Nathalin Group to run fuel sale business. Nathalin has an anti-competition agreement with the Company in order to confirm that Nathalin, whose business, conflict-prone personnel, and relevant persons, according to the Announcement of the Securities and Exchange Commission on the Definitions in the Announcements Concerning Issuance and Sale of Stocks, will limit its business and agrees not to run business or control over legal persons whose business is similar to and/or is competitive against the Company's current supply management business, including new business in the future. Nathalin will notify and monitor its conflict-prone and relevant people to ensure they are aware of and comply with the agreement. The agreement sets forth penalty against Nathalin should it be violated.

Nathalin Group Structure as of December 31 ,2013 shown as follow:-



Investment in related company

At of 31 December 2013, the Company's investment in Khunnatee Company Limited (a company in Nathalin Group whose business is marine petroleum transportation business) of which the value of cost approach was THB 17.53 million or 3.33% of the whole Issued and paid-up share capital of Khunnatee Company Limited.

Policy and Business Goal

The Company expects continuous marine and in-land business growth, focusing on improving product quality and customer service so that it remains the country's leading fuel oil seller. The Company believes that a strong customer base will lead to an increase in sale volume in the future, which will be value-added for its shareholders. Moreover, the Company focuses on personnel and organizational development to achieve highest efficiency by good governance and ethics, as well as building business alliance network, fame, and corporate image. The objectives are to become prominent in fuel oil market, realize its vision to become a leader of marine fuel oil, international oil trade, and raw material and service provision business.

In conducting business through sea channel, the Company has a plan to expand its fuel oil sale to cover all kinds of vessels, especially large feeder liners, and big fleet of ships, and provide necessary service for sea liners and oil and gas drilling rigs in the sea, in order that it can become a complete one-stop service provider for sea liners and oil and gas drilling rigs in the sea. Apart from domestic oil sale, the Company sees the potential of external oil sale for customer's vessels in foreign countries, including oil sale to oil wholeseller who then again sells oil overseas by supplying oil from foreign sources for foreign customers.

Additionally, the Company has a plan to expand its business to meet customers' supply management needs in catering and services and general supply, which are essential for sea liners and oil and gas drilling rigs in the sea.

Business Strategies

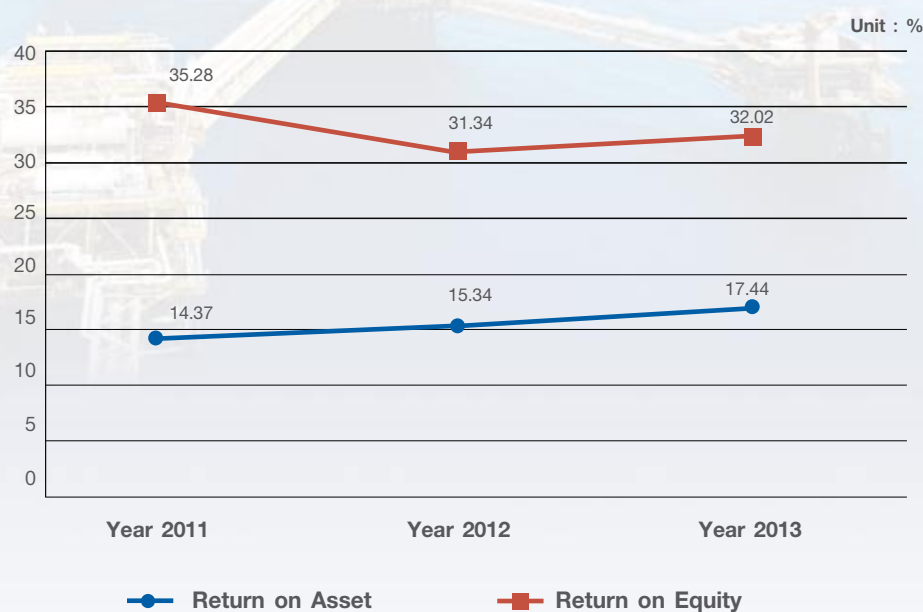
The Company has been doing fuel and lubricant oil for sea liners for more than 10 years, with executives and staff experienced and specialized in products and oil trading. The Company believes that the success in oil business depends on reliability and customer's trust. The Company has strict quality control over product supply and transportation so that customers are provided with product with the right specification, punctuality, and accurate quantity as per their purchase orders. Since the Company has no fixed assets, it can reduce unnecessary cost and control operating cost, as well as recruit specialized operators, such as sea and land transporters, to operate with appropriate cost which can be exactly identified. Besides, the operator utilization of resources will be more worthwhile than the Company's own management of the resources. Continuous and efficient operation and quality control since its establishment, the Company has gained reliability and fame among domestic and foreign customers extensively.

Financial Highlights

	2013	2012	2011
		(Restated)	(Restated)
Statement of Income (Unit: Million Baht)			
Sales and service revenue	2,716.35	2,689.65	2,533.24
Gross Profit	202.75	144.68	129.99
Profit before Finance costs and Income Tax	106.32	88.88	77.48
Net Profit	80.54	61.02	45.64
Earnings per share (Baht)	0.60	0.55	0.57
Statement of Financial Position (Unit: Million Baht)			
Total Assets	519.82	403.61	391.92
Total Liability	48.17	178.38	227.71
Total Shareholders' Equity	471.64	225.23	164.21
Share Capital			
- Registered share capital	180.00	160.00	110.00
- Issued & fully paid-up share capital	180.00	110.00	110.00
Financial Ratio			
Current Ratio (time)	10.34	2.12	1.59
Gross Profit Margin (%)	7.46	4.26	4.14
Net Profit Margin (%)	2.96	2.27	1.80
Return on Total assets (%)	17.44	15.34	14.37
Return on Equity (%)	32.02	31.34	35.28

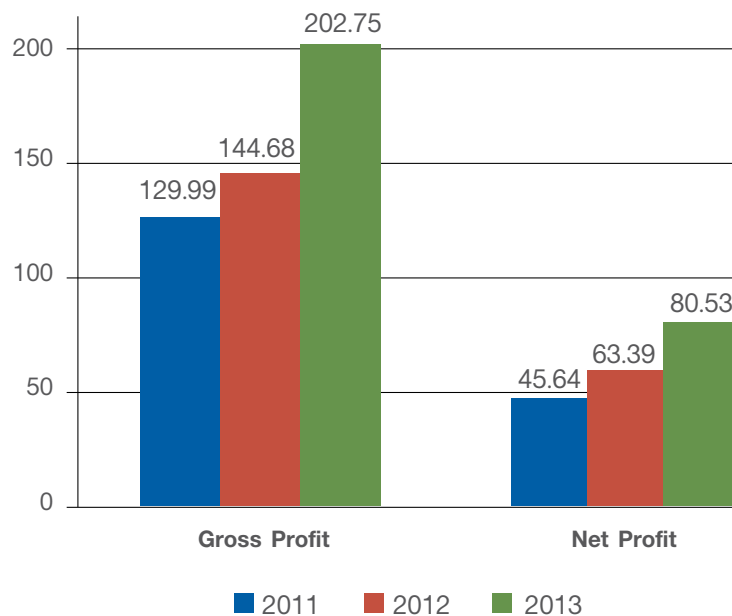
Remark : Data based on Financial Statements

Return on Asset & Return on Equity



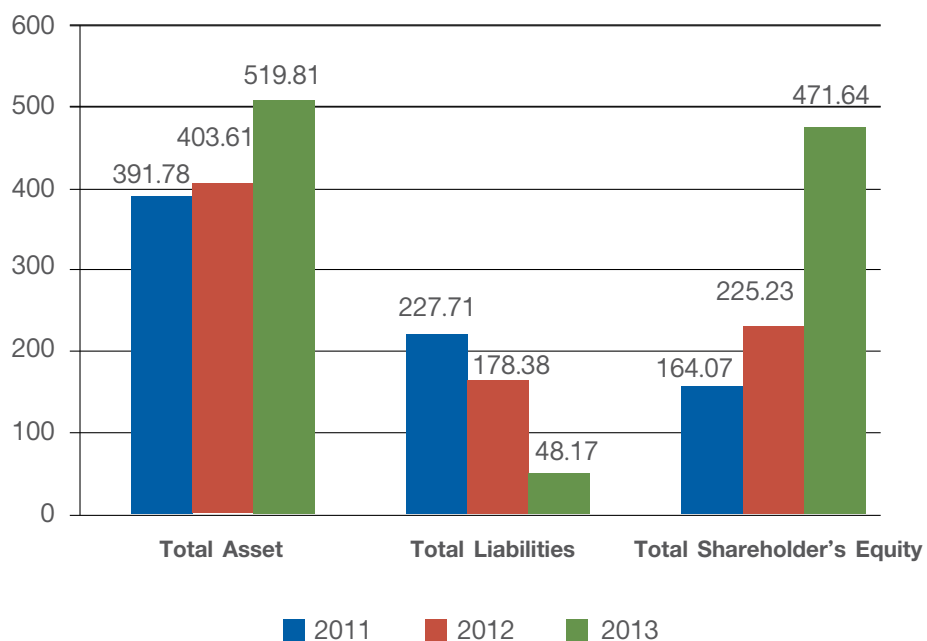
Gross Profit Margin & Net Profit Margin

Unit : Million Baht



Financial Position

Unit : Million Baht



General Information

Company Name	: Sea Oil Public Company Limited
Head Office	: 88 Soi Bangna-Trad 30, Bangna-Trad Road, Bangna, Bangkok 10260, Thailand
Type of Business	: The Company has 2 core business as follow: <ol style="list-style-type: none"> 1. Supplier of Marine Bunker Fuel and Lubricant products to domestic and international shipping vessels. and supply fuel to in-land customer i.e. land transportation Business and other industries 2. Supply management which are Catering & Housekeeping service and general supply to Oil& Gas Exploration business both offshore and onshore
Registration Number	: 0107554000194
Telephone	: (662) 398-9850, (662) 398-9851
Facsimile	: (662) 398-9852
Website	: www.seaoilthailand.com
Registered Capital	: 180,000,000 Baht, divided into 180,000,000 Ordinary Shares, 1 Baht each
Paid-up Capital	: 180,000,000 Baht, divided into 180,000,000 Ordinary Shares, 1 Baht each (As of December 31,2013)

Reference

Securities Registrar	: Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Telephone : (662) 229 2800 Fax: (662) 359 1259
Certified Public Accountant	: BPR Audit and Advisory Company Limited By Mr. Boonlert Kaewphanpurk CPA Reg No.4165 152 Chartered Square Building, 12A Floor, Suite 08, North-Sathorn Road, Silom, Bang rak, Bangkok 10500, Thailand Telephone : (662) 634 5398 Fax : (662) 634 5399
Financial Advisor	: Sage Capital Limited 28 th Floor, BKI Tower, 25 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand Telephone : (662) 679 2540 Fax : (662) 679 2537

Nature of Business

The Company has 2 core business which are:

1. Supplies Marine Bunker Fuel and Lubricant products to domestic and international shipping vessels and fuel supply to in-land customers.
2. Provides Catering and Housekeeping service and general supply to Oil & Gas Exploration business both offshore and onshore (Supply Management).

Revenue Structure

The Company's main revenue is from fuel and lubricant sale both marine and inland. The Company entered to Catering and Service for drilling crew on accommodation barge in Oil & Gas Exploration in July 2011 and started General Supply in September 2012.

(Unit : Million Baht)	2011		2012		2013	
	Value	%	Value	%	Value	%
Revenue from goods sold	2,500.32	98.61	2,605.81	96.48	2,600.67	95.55
- Marine	2,332.17	91.98	2,457.49	90.99	2,485.93	91.34
- Inland	168.15	6.63	148.32	5.49	114.74	4.21
Revenue from rendering of services	32.92	1.30	83.84	3.10	115.68	4.25
Other income *	2.22	0.09	11.20	0.41	5.37	0.20
Total	2,535.45	100.00	2,700.85	100.00	2,721.72	100.0

* Including gain on foreign exchange, dividend income, interest income from late payment fees, and others.

Description of Products&Services

1). Marine Bunker Fuel and lubricant business

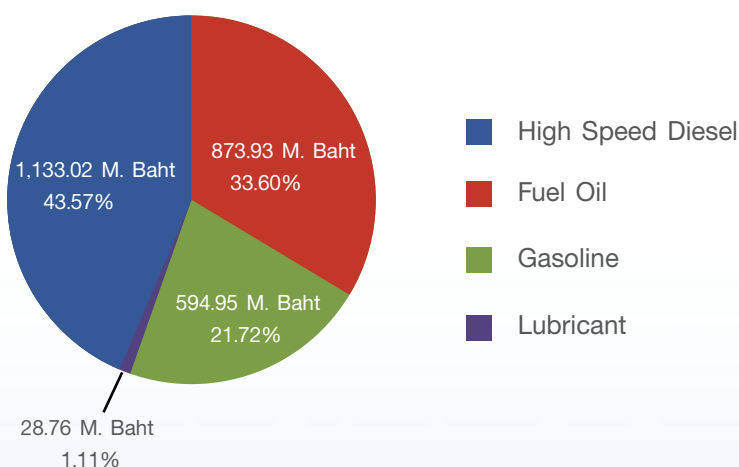
The Company sells fuel and lubricant upon specific requirements of clients. Upon receiving order from clients, the Company will supply products according to requirements of clients obtained from major oil producers or traders, for example PTT Plc., The Shell Company of Thailand, Bangchak Petroleum Plc., Chevron Thailand, IRPC Plc. And Thailoil Plc. In case that clients require transportation service, the Company will hire qualified independent transporters to deliver the products to the specified destination. Bunker barge will carry products to the clients anchored off the coast. For the clients anchored at sea port, truck or bunker barge will be used to deliver products. Truck is also used as vehicle to carry product to the onshore clients. The followings are products that the Company sell:

- Marine Fuel:
 - High Speed Diesel
 - Fuel Oil
 - Gasoline

- Lubricant Products: Engine oil, gear oil, hydraulic oil, main engine oil, turbine & compressor oil, etc.

Revenue from goods sold by product as follows:

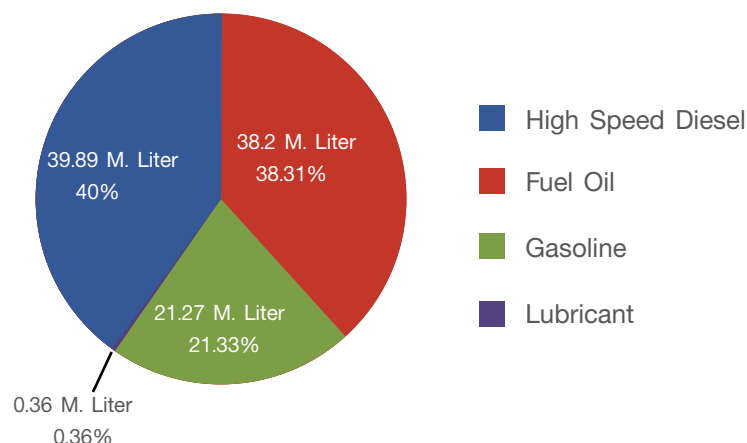
Fuel Sale Revenue by Product Year 2013 (Unit : Million Baht)



Revenue from Goods Sold (Unit : Million Baht)	2011		2012		2013	
	Value	%	Value	%	Value	%
Fuel Products	2,474.38	98.96%	2,576.09	98.86%	2,571.91	98.90%
- High Speed Diesel	1,539.20	61.56%	1,544.03	59.25%	1,133.02	43.57%
- Fuel Oil	525.33	21.01%	499.57	19.17%	873.93	33.60%
- Gasoline	409.85	16.39%	532.49	20.43%	564.95	21.72%
Lubricant	25.94	1.04%	29.71	1.14%	28.76	1.11%
Total	2,500.32	100.00%	2,605.81	100.00%	2,600.67	100.00%

Sale Quantity by product as follow:

Sale Quantity by Product Year 2013 (Unit : Million Liter)



Sale Quantity (Unit : Million Liter)	2011		2012		2013	
	Quantity	%	Quantity	%	Quantity	%
Fuel Products	97.36	99.62%	96.27	99.59%	99.36	99.64%
- High Speed Diesel	57.18	58.51%	54.29	56.16%	39.89	40.00%
- Fuel Oil	24.68	25.26%	22.66	23.44%	38.20	38.31%
- Gasoline	15.50	15.86%	19.33	19.99%	21.27	21.33%
Lubricant	0.37	0.38%	0.40	0.41%	0.36	0.36%
Total	97.74	100.00%	96.67	100.00%	99.72	100.00%

2). Catering & Housekeeping Service, General Supply and other services

- Catering & Housekeeping service provided for drilling crew on board offshore accommodation barges and accommodation rigs and onshore oil field

The Company provides catering service as well as remote food for residents/visitors, cleaning and laundry on the assigned accommodation barge. The Catering and Service is awarded to the Company by Nathalin Offshore, the related company, who owns concession to provide the accommodation barge. The Company, then, sub-contracts to Hadsadin Catering Co., Ltd ("Hadsadin") who renders Catering and Service.

Currently, the Company is qualified in the PTTEP's vendor list to provide Catering and Service, thus, it is able to enter into the bidding for Catering and Service by its own bidding. As PTTEP's certified vendor for Catering & Housekeeping Service, the Company entered into the bidding for Catering and Housekeeping Service at PTTEP production Station, Sirikit Oil Field at Lankrabue, Kampaengphet Province and has been awarded in July 2013.

The Company, thus, sub-contracts to Hadsadin who renders Catering Service with experienced personnel, equipments and facilities to provide qualified Catering & Housekeeping Service .

- Supply of raw material, provision and other services (General Supply)

As an expansion of Catering and Service business, the Company acts as a supplier for raw materials, foods, provision and other servicesto vessels and offshore oil & gas exploration business customers who constantly require those products for their operation.

❖ Distribution Channel

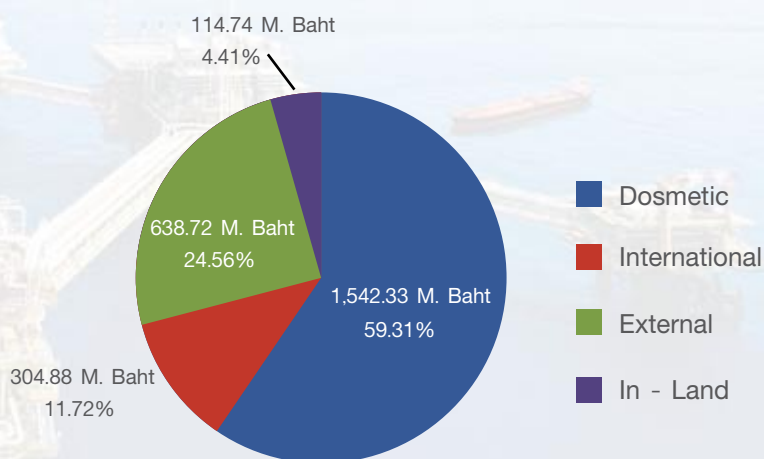
Fuel Products:

SEOIL supplies and distributes fuels and lubricant products through two main channels which are marine fuel distribution and inland distribution.

- Marine fuel distribution:
 - Domestic supply to all kinds of ships in Thailand
 - International supply to all kinds of vessels running on international shipping routes
 - External distribution to customers' vessels needing fuel supply abroad
- Inland distribution to local industries, land transportation fleets, passenger vehicles, etc.

The Company's revenue from fuel and lubricant sale by distribution channels as follows:

Fuel Sale Revenue by Distribution Channel Year 2013
(Unit : Million Baht)



Sale Revenue (Unit : Million Baht)	2011		2012		2013	
	Value	%	Value	%	Value	%
Marine	2,332.17	93.27%	2,457.49	94.31%	2,485.93	95.59%
- Domestic	1,575.38	63.01%	1,346.84	51.69%	1,542.33	59.31%
- International	252.01	10.08%	216.13	8.29%	304.88	11.72%
- External	504.78	20.19%	894.52	34.33%	638.72	24.56%
In-land	168.15	6.73%	148.32	5.69%	114.74	4.41%
Total	2,500.32	100.00%	2,605.81	100.00%	2,600.67	100.00%

Supply Management

- Catering and service provided offshore for drilling crew on board accommodation barges and accommodation rigs in the Gulf of Thailand as well as onshore oil field.
- General supply to domestic, international vessels and external vessels, including offshore oil & gas exploration in the Gulf of Thailand.

❖ Target Group

Marine fuel and lubricant business

Target groups for this business are all types of vessel e.g. tanker, cargo vessel, fishery vessel and vessel used in oil & gas production and exploration (crew boat and supply & service boat). The company sells products to both end users and wholesalers who then resell them to various types of vessel.

Onshore fuel and lubricant business

Industrial factory and other businesses such as passenger bus and various size of transporter are target groups of this business. The Company also sells products to wholesaler.

Fuel & Lubricant Sale Quantity by Customer Group as follows:

(Unit: Million Liter)	2011		2012		2013	
	Quantity	%	Quantity	%	Quantity	%
Marine	75.96	92.37%	71.44	92.37%	74.21	94.60%
Tanker	30.42	36.99%	30.66	39.64%	24.64	31.41%
Oil & Gas Supply Boat	27.38	33.29%	25.35	32.77%	35.02	44.64%
Other Vessels	18.17	22.09%	15.44	19.96%	14.55	18.55%
In-land	6.28	7.63%	5.90	7.63%	4.24	5.40%
Total	82.24	100.00%	77.34	100.00%	78.45	100.00%

Remark: Excluding Gasoline sale quantity to external customer

Catering and Service business

Accommodation barges and rigs located in Gulf of Thailand and Andaman Sea as well as onshore oil fields are target group of the Company for this business.

General Supply business

This business shares the same target groups of client with marine fuel and lubrication business which are vessels with both local and international route as well as crew boat and supply & service boat including onshore oil field with no Catering and Service available. These groups of client require cooking ingredients, foods, provision and other services for their staff who in charge on vessels and rigs.

❖ Sources of Supply

Fuel Products

The Company approaches major petrol producers or suppliers in order to procure from them fuel products that meet the requirements and standards as agreed upon with its clients. The Company orders and purchases fuel from large local suppliers such as PTT Plc., the Shell Company of Thailand Ltd., Chevron (Thailand) Co., Ltd., Bangchak Petroleum Plc., IRPC Plc., etc. for both marine and in-land customers.

Catering and Service

The Company has engaged an outsourced provider, which is well prepared in terms of service venue and equipment such as cold storage rooms, warehouses, refrigerated containers, general containers, trucks, and well-trained personnel who meet customers' requirements and standards and have specialized skills, to render around-the-clock services.

General Supply

The Company renders services in procuring cooking ingredients, food supplies, provision and other services that meet customers' requirements from suppliers of various merchandises ("suppliers"). The Company receives orders from customers and passes the orders on to the suppliers to prepare, procure and deliver the ordered goods to the destinations instructed by customers.

❖ Competition

Fuel Distribution

There are a number of marine fuel suppliers in Thailand, which could be categorized into two major groups as follows:

1. Petrol producers comprising PTT Plc., Chevron (Thailand) Co., Ltd., the Shell Company of Thailand Ltd., Bangchak Petroleum Plc., IRPC Plc., etc.
2. Petrol traders

SEAOIL has been a trade partner of the above oil producers. By accumulating orders from several retail customers, the Company can place a big lot of purchase orders with those producers and, hence, can procure fuel at a low cost and earn a profit from its fuel distribution.

Catering and Service

There are four providers of catering and service to accommodation barges, oil & gas rigs and accommodation rigs. In employment of a catering and service provider, operators of oil & gas rigs, accommodation rigs or accommodation barges will invite service providers with sound track records to submit bids and will select the one that offers the most attractive price and best terms and conditions. Thus, factors crucial to such employment decision are pricing, track records and financial soundness of service providers.

General Supply

Customers select a provider of general supply based on their good business relationship, reliable track records, and offering of quality products at a reasonable price. As such, competitive advantages for service providers lie in their good relationship with customers and cost-effective product procurement.

Environmental Impacts

The Company gives importance to environmental preservation. In delivering fuel to the destinations assigned by customers, the Company employs transporters which use standard vehicles and equipment to ensure no spill of fuel occurs in the process of loading at depots, during transportation and during discharging at destinations. The Company also requires that the transporters implement measures for environmental protection and have equipment and chemicals for oil spill clean-up readily available on their transport vehicles. In the event that a fuel spill inevitably occurs, the transporters shall be held liable for the environmental pollution and the cost of remedy or compensation. Furthermore, the Company makes its utmost effort to control and ensure all vehicles, including tools and equipment thereon, used by the transporters meet the standards to avoid oil spills into the environment.

Risk Factors

Macro Risk

Risk from oil price fluctuations

Fluctuations in oil prices are influenced by factors which are beyond the Company's control. Hikes in fuel prices relatively increase the Company's working capital needs in its business operation, thus likely necessitating additional short-term financing from financial institutions to boost its liquidity. the Company had short-term commercial credit lines under credit facility agreements with financial institutions which exceeded its working capital requirements.

After the Company to be the listed company in Market For Alternative Investment (MAI), the company plans to use proceeds from the IPO for meeting its working capital needs. The Company is confident that oil price fluctuations do not have a crucial impact on the Company, considering that its selling prices are determined by the cost plus pricing method and it does not store any reserve fuel. Moreover, most of its target groups are domestic and international marine vessels, industrial factories, land transport and passenger bus operators, which have continuous demand for fuel. The Company therefore believes that oil price volatility does not have any direct effect on its customers' fuel consumption volume.

Risk from interest rate fluctuations

The Company could be prone to risk from interest rate hikes, which will affect its finance cost, financial position and business performance. The Company has raised working capital facilities in the form of short-term loans carrying a floating rate, which is set based on minimum overdraft rate (MOR) and minimum loan rate (MLR).

The Company incorporates into its selling prices a gross margin which is calculated based on its finance costs and, hence, interest expenses are compensated by the gross margin. As such, the Company will not be directly impacted by interest rate fluctuations.

Risk from foreign exchange rate

The Company carries costs in foreign currencies from its fuel imports from overseas suppliers or traders and also from employment of independent surveyors. It has executed forward contracts in full amount with local commercial banks in a bid to hedge against foreign exchange risk that could affect its performance. Moreover, the Company recognizes revenues in foreign currencies from fuel distribution and transportation services to vessels running on international routes or non-Thai marine vessels, and has likewise executed forward contracts in full amount with local commercial banks.

Risk Associated with the Company's Business Operation and Activities

Risk from delay in collection of payments or debts from customers

The Company has a policy to distribute fuel and lubricant products by granting credit terms to customers. The Company could be exposed to risk involved with customers' default on payment for goods and services or their late payment of debt.

The Company has formed a Credit Committee, consisting of its Managing Director, Finance & Accounting Department Manager, Sales Department Manager, and Customer Service Department Manager, with duties to consider and approve a credit line and credit term for new customers and a review of existing credit line and credit term; to monitor the follow-up and collection of loans in arrears; and to decide on taking legal action against defaulting customers according to the guideline set forth. The Credit Committee also keeps abreast of an aging report on a monthly basis to closely monitor debt payment by the individual customers. When there is any overdue debt arising, the Credit Committee will monitor and ensure that such debt is collected from the defaulting customer and progress on debt follow-up is reported to it. The Credit Committee has set out a guideline on overdue debt solutions including, among others, negotiation with customers for debt payment by installments, request for additional collateral, etc.

Risk from reliance on parent company

Sales of goods and services

The Company has a major shareholder, Nathalin Co., Ltd. which owns a 47.22%. In 2011-2013, the Company generated income from sales of goods and rendering of services to Nathalin Group in an amount of Baht 276.11million, Baht 409.39 million and Baht 420.31million respectively, representing 10.90%,15.22% and 14.55% of its total revenues from sales of goods and rendering of services respectively.

The Company adopts a pricing policy to Nathalin Group in the same manner as that applicable to its customers in general. Nonetheless, the Company plans to reduce its reliance on sales to Nathalin Group by boosting sales to other customers such as domestic and international marine vessels, non-Thai vessels or materials/supplies barges of oil and gas rigs and also by building and maintaining good relationship with existing customers on a continuous basis, while seeking to increase number of large customers in order to consistently grow its revenues and profits.

International fuel transportation

The Company hires tanker from Nathalin Group to transport fuel from foreign supplier in foreign country to destination in other foreign country because Nathalin Group's tanker is suitable to internationally transport high volume of fuel. For 2012 and 2013, the Company hired Nathalin Group's tanker equivalent to transportation cost of THB 12.11 million and THB 14.61 million, respectively, for sales of fuel that hires tanker from Nathalin Group in 2012 and 2013 equivalent to 20.43% and 21.74% of total sale of fuel and lubricant,

The Company always compares transportation cost, quality and reliability of service before hiring transporter. In the case that 3rd party's tanker who provides transportation service with equivalent quality and reliability compared to Nathalin Group at competitive price, the Company is able to hire that tanker.

Risk from market competition and new entrants

There are a lot of existing players in marine fuel business, thus being conducive to intense competition especially in pricing. Since marine fuel distribution business does not require huge investment in fixed assets, it is easy for new players to enter the market. A key factor to successful marine fuel supply business is sales force that could maintain a strong client base and good relationship with oil suppliers. The Company therefore gives importance to its employees, deemed as an important resource to business operation, by offering reasonable compensation and providing regular training to enhance their knowledge and capability. The Company and Nathalin Group have had years-long experience and expertise in marine fuel transportation and distribution business and have maintained longstanding relationships with oil producers as well as other peer companies. Accordingly, the Company is able to purchase fuel in a large quantity at a competitive price. With a longtime presence in the marketplace, the Company has been committed to maintaining quality of products and services, notably its fuel quality that meets the standard required by Department of Energy Business, and providing convenience for customers, thereby ensuring its trustworthiness among its customers.

Risk from reliance on a major oil supplier

The Company procures fuel from several producers and suppliers, whose selling prices are about the same and are based on the market price. Its procurement from PTT Plc. ("PTT"), the largest oil firm in Thailand, is the highest when compared with its procurement from other suppliers, making up 44.05%, 38.48% and 46.24% of total value of its fuel procurement in 2011 - 2013 respectively. The huge volume of its procurement from PTT enables the Company to receive a competitive price and rest assured of fuel supply from PTT in the event of oil shortfall.

Nevertheless, the Company also procures oil from other producers and traders. Before placing purchase orders, its sales staff will compare daily selling prices quoted by at least two producers and traders. Procurement decision is made based on factors such as nature of products, prices, distance of fuel transport to the destination agreed with its customers, etc.

Risk from hiring of a few number of oil transporters for each distribution channel

As per present Transportation Regulations, the Fuel Oil tanker with size bigger than 500 Ton gross shall be double hull. It causes insufficient tankers in the market. However, the Company has engaged several service providers to support our sales.

As for inland fuel distribution and transportation, the Company uses delivery services offered by oil producers and traders or hires independent transporters to provide inland transportation services. Presently, the Company has signed inland transportation service agreements with four independent transporters ("Inland Transporters") to be responsible for different transportation areas. The agreements specify scope of responsibility of the Inland Transporters. Moreover, the Company can procure fuel from

producers that also provide delivery services which similarly include all risks insurance coverage. The Company may otherwise hire other transporters from time to time as there is a large number of this type of transport service providers.

Risk from reliance on a subcontractor for catering and Housekeeping service to Oil & Gas Exploration business

The Company has supplies Catering and Housekeeping Service and general supply to Oil & Gas Exploration business both offshore and onshore. The Company has then subcontracted Hadsadin Catering Co., Ltd. (“Hadsadin”), which has years-long experience in this business, to provide the service for the employer. The Company could thus be exposed to risk if in the future Hadsadin is unable to render the service or no longer partners with the Company in the expansion of catering and service business and the Company cannot undertake this business on its own.

The Company and Hadsadin have maintained a longstanding mutual relationship and strategic partnership. In their business coordination, the Company provides financial supports through advance payment so that Hadsadin will have revolving funds available for rendering the catering and service directly to the employer. As such, it is confident that Hadsadin will continue to cooperate with the Company in the catering and service business in the future.

Risk from impacts of being classified as a fuel trader under Section 7

At present, the Company is registered as a fuel trader under Section 10 of the Fuel Trade Act B.E. 2543, which is defined as fuel trader having trade volume per year of each type of fuel or all types altogether less than 100,000 metric tons (around 120 million liters) but more than 30,000 metric tons (about 36 million liters), excluding external distribution of fuel procured overseas.

In 2011, 2012 and 2013, the Company’s domestic sales of fuel and lubricant products were in an aggregate amount of 78.28 million liters, 63.35 million liters and 75.62 million liters (excluding external distribution of fuel procured overseas). If in the future the Company increases its sales volume to exceed 120 million liters (based on its current distribution, the Company is still capable of expanding its fuel sales by about 30%), the Company will then have to register as a fuel trader under Section 7 whereby it will be required to make fuel legal reserve at 6% of its annual trade volume, excluding external distribution of fuel procured overseas. As such, the Company will have to invest in a fuel storage location or hire other party to store the reserve fuel for it, thus likely affecting its cash flow and working results.

However, the Company has a policy to expand its fuel sales to international customer segment and external customer segment procured overseas, but fuel distribution through external customers is not incorporated into fuel trade volume under the said Section.

Risk that affects the rights and investment of shareholders

Risk from a group of shareholders holding more than 50% stakes

As at December 31, 2013, Nathalin Co., Ltd. and persons under Section 258 will acquire a total of 58.33% of the Company's total issued and paid-up capital. Hence, they will continue to be a major shareholder owning more than half of total shares and having control power on crucial decisions that require a majority voting, except for issues required by laws or the Company's Articles of Association to be approved by not less than three - fourths of total votes at the shareholders' meeting such as capital increase, capital decrease, partial or entire disposal or transfer of business, etc. As such, other shareholders could risk being unable to collect enough votes to exercise checks and balances over matters proposed by the major shareholder for consideration at a shareholders' meeting.

To mitigate this risk, the Company has employed knowledgeable and competent management and has clearly defined scope of work and delegation of authority to its directors and executives to ensure transparency in business operation. In addition, three out of the total seven board members have been selected from outsiders to serve as its independent directors to exercise checks and balances on decision making and approval of all transactions before submission to the shareholders' meeting. If it is necessary to enter into transactions with parties having a conflict of interest, the Company will strictly follow the approval procedures for Related Transactions and the rules and regulations of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand and will make certain that the parties having a conflict of interest are not entitled to cast vote on any such transactions.



Capital Structure

Securities

As of December 31, 2013, The Company had a Registered Capital 180,000,000 Baht and Paid-up Capital 180,000,000 Baht, divided into 180,000,000 Ordinary Shares, 1 Baht each.

Shareholder

The shareholder name list as of March 6, 2014, Closing Date for dividend payment to all shareholders that concerning in section 258 of the Securities and Exchange Act B.E. 2535 follow as:

ShareholderName	As of 6 March 2014 (Register Book Closing)	
	Amount	%
1. Nathalin Company Limited	84,999,800	47.22
2. Mr. Churdchoo Panboonhom and wife	20,000,200	11.11
3. Mr. Apisit Rujikeatkamjorn	5,010,000	2.78
4. Mr. Jaran Raveesaengsuth	4,620,000	2.57
5. Mrs. Dararay Ratanachaiwan	2,000,000	1.12
6. Mr. Sirapraserd Jirapornprapa	1,562,400	0.87
7. Ms. Neeracha Panboonhom	1,500,000	0.84
8. Ms. Nitinan Areepiyajit	1,260,000	0.70
9. Ms. Pardtanar Chaipomprasit	1,000,800	0.56
10. Mr. Arongkorn Jaieimsin	1,000,000	0.55
11. Mr. Prompong Chaisrisawatsuk	1,000,000	0.55
12. Mr. Suraphon Meesathien	1,000,000	0.55
Other Shareholder	55,046,800	30.58
Total	180,000,000	100.00

The Majority Shareholder had a power to determine the policy or the company's process.

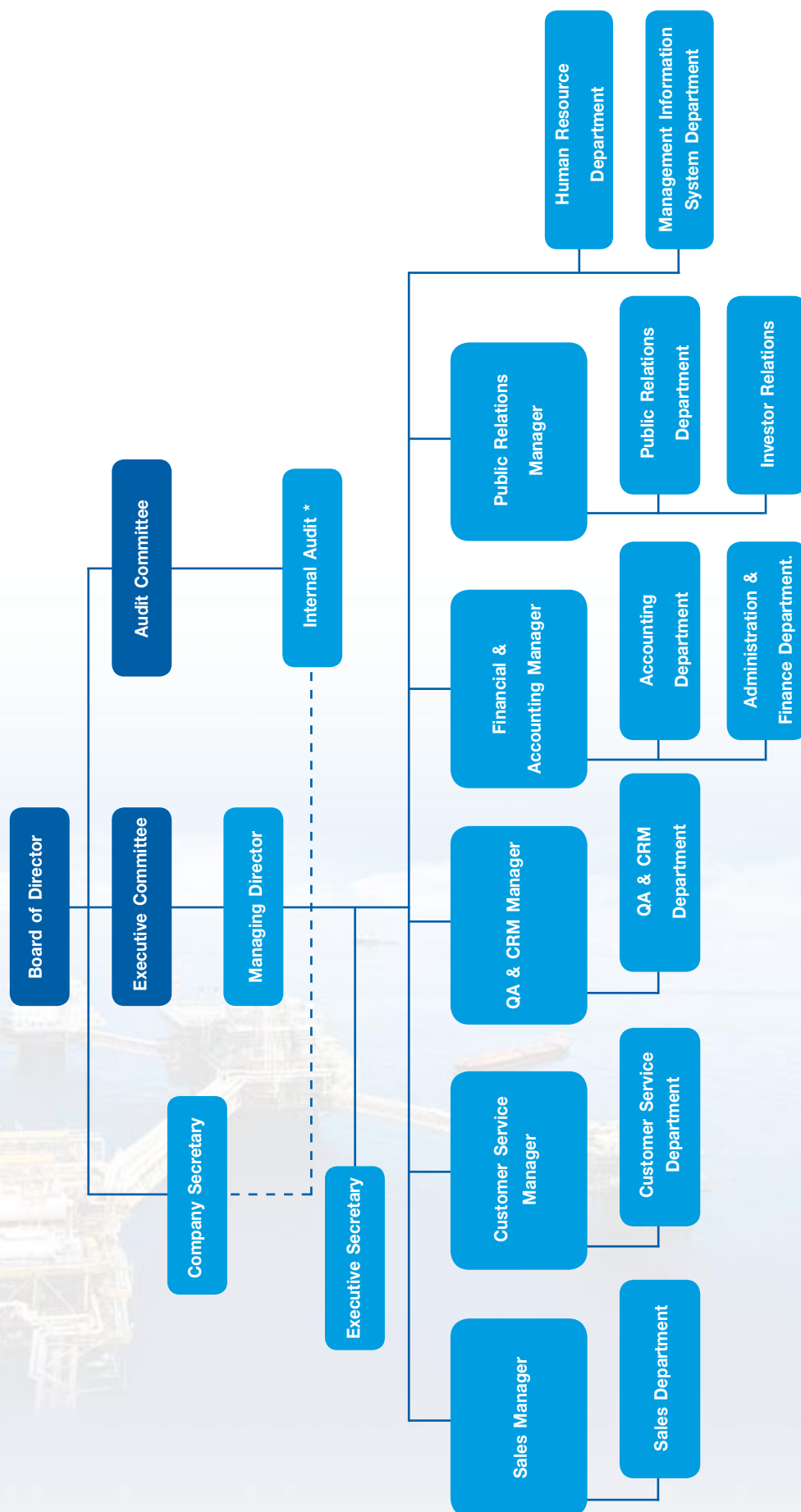
Nathalin Company Limited who is Majority Shareholder presented 3 directors as Mr.Prompong Chaisrisawatsuk, Mr.Suraphon Meesathien and Ms.Neeracha Panboonhom.

Dividend Policy

The Company has a policy to pay dividend at not less than 30% of net profit after corporate income tax and all reserves required by law and as set out in the Company's Articles of Association. The Board of Directors has authority to approve dividend payment by taking various factors in the interests of the shareholders into consideration such as fund reserve for loan repayment, investment plan for business expansion, or for boosting of cash flow in the event of impacts from changing market condition. The Board of Directors resolution for the dividend payment shall be subject to approval from the shareholders' meeting, unless it is an interim dividend payment which the Board of Directors has the authority to approve and then report to the next meeting of shareholders for acknowledgement.

Organization Chart

Organization Chart as of December 31, 2013 follows as:



Remark * The Company outsource Internal Audit, Human Resource Department (HR) and Management Information System (MIS)



The Company Organization consisted of the Board of Directors , the Audit Committee and the Executive Committee as follows :-

The Board of Directors

As of December 31, 2013 , the Board of Directors are 7 directors as follows :-

Name	Position
1. Mr. Apisit Rujikeatkamjorn	Chairman
2. Mr.Tawee Soontornsingha	Vice Chairman/ Independent Director/ Member of Audit Committee
3. Mr.Suraphon Meesathien	Director
4. Mr. Prompong Chaisrisawatsuk	Director
5. Miss Neeracha Panboonhom	Director
6. Assoc.Prof.Dr.Ruth Banomyong	Independent Director/ Chairman of Audit Committee
7. Dr.Chalermwit Chimtragoon	Independent Director/ Member of Audit Committee

The Authorized directors of the company are Mr. Apisit Rujikeatkamjorn, Mr.Suraphon Meesathien, Mr. Prompong Chaisrisawatsuk and Miss Neeracha Panboonhom . 2 of 4 directors co-sign with company seal

Company Secretary : Mrs. Saowanee Sutthitham

Scope of authority and duty of company board

1. To supervise and determine significant policy of the company such as main policy of business operation, financial policy, fund raising, capital management, and risk management policy etc.
2. To supervise and manage the company to practice following the law, objectives and regulations of the company including the resolution of shareholder's meeting and company board. To take operations in the company, board must do duty with responsibility, awareness and honesty.
3. To consider and approve essential matters that are involved in company's operation such as vision, mission, policy, business strategy, operation plan, financial target, investment project and company budget.
4. To supervise normal operation of the company and supervise executive section to take actions following vision, mission, policy, business strategy, operation plan, financial target and company's budget determined effectively and efficiently and for utmost benefit of the company and shareholders.
5. To provide accounting system, financial report system including make internal control system available and it must be efficient and effective.
6. To acknowledge the important audit report of audit committee or internal audit sector including auditor and consultants of the company and has duty to determine guidelines for improvement in case significant defects are detected including follow up the result of defect revision.
7. To make an annual report and be responsible for making and disclosing financial budget to show financial status and operation result in a previous year to present in the shareholders' meeting.
8. To supervise and provide the mechanism of governance so that the conflict of interest will not occur between stakeholders and the company.
9. To consider and approve including give opinions to propose in the shareholder's meeting to consider approving significant transaction with the company and take actions that are relevant according to terms and conditions and principles the law/ regulations and /or rules determine.
10. To recruit people who have knowledge, ability, experience and quality determined by the law and regulations to propose in the shareholders' meeting to appoint them as company board.
11. To consider and determine the criteria of paying compensation of committee and chief executive officer by considering from works in the past, quality, ability and experience etc.
12. To consider reasonable amount of compensation of committee board as specified to propose at meeting for consideration and approval.
13. To appoint executive committee and appoint one of committee to take position of managing director including determine limits of authority, duty and responsibility of executive committee and managing director.

14. To select and appoint sub-committee or those who have competency and experience as company board see qualified to take position of committee in sub-committee including determine authority, duty and responsibility of sub-committee.
15. To appoint and/or give authority to board or anyone to have authority taking any actions that are under scope of board authority as company board agrees. The company may cancel, terminate or revise such authority.
16. To in case assigning one of committee or many people or others to take any operations instead of company board, those who are assigned must not have authority to approve the list such people or those who have conflict (“those who may have conflict” means as defined in the notice of Securities and Exchange commission (“ notice of SEC”) or Capital Market Supervisory Board) may have interest or conflict of benefit in any other ways with the company except it is an approval of the list that follows policies and principles approved by shareholders or company board meeting.
17. To appoint board or people who have qualification, competency and experience as the company board to be company secretary.
18. To supervise disclosing data that is related to the company correctly, completely, punctually and transparently through accessible data.
19. To has an authority to consider and approve any matters that are necessary and related to the company or seen reasonable for company’s sake.

In case any committee have an interest or conflict on benefit, such committee will have to authority no approve such operation with the company or subsidiaries as determined by the Office of Securities and Stock Exchange Commission or Capital Market Supervisory board and/or the Stock Exchange of Thailand.

In addition, the committee has duty to supervise the company to act following the law of securities and Exchange, regulations of the Stock Exchange or Notice of SEC, Notice of Capital Market Supervisory Board or law related to the company’s business.

Audit Committee

As 31 December 2013 The member of Audit Committee are 3 independent directors as follows:-

Name	Position
1. Assoc.Prof. Dr. Ruth Banomyoung	Chairman of Audit Committee
2. Mr.Taweep Soontornsingha**	Member of the Audit Committee
3. Dr. Chalermwit Chimtragoon	Member of the Audit Committee

** Mr.Taweep Soontornsingha is an Audit Committee member who has knowledge and experience in accounting and finance

Secretary of the Audit Committee : Mrs.Saowanee Sutthitham

The Audit Committee is the independent directors who are appointed by the Board of Directors for support the corporate governance of the company's business especially the process of financial reports, internal control system , internal audit system and the Company's compliance with the law to develop efficiency of business operating by the scope of authority and duty in accordance with the charter as follows :-

Scope of authority and duty of the Audit Committee

1. Review the Company's financial report to ensure accuracy and adequacy.
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient , to determine and internal audit unit's independence , as well as to approve the appointment , transfer and dismissal of the chief of an internal audit unit or any other unit in charge of and internal audit.
3. Review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company business.
4. Consider,select and nominate the independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. Review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. Prepare and disclose an audit committee's report in the Company's annual report which must be signed by Chairman of Audit committee and consist of at least the following information :
 - (1) an opinion on accuracy, completeness and creditability of the Company'financial report,
 - (2) an opinion on the adequacy of the Company's internal control system,
 - (3) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company 's business,
 - (4) an opinion on the suitability of and auditor,
 - (5) an opinion on the transactions that may lead to conflicts of interests,
 - (6) the number of the audit committee meetings, and the attendance of such meeting by each committee member,
 - (7) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter,
 - (8) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.

7. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company 's financial condition and operating results, the audit committee shall report it to the board of directors for rectification within the period of time that the audit committee thinks fit:
 - (1) a transaction which causes a conflict of interest,
 - (2) any fraud, irregularity, or material defect in an internal control system,
 - (3) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business
8. Perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

The Audit committee report to the Board of Director directly and the audit committee have 2 years term for holding office from appointment date. The member of audit committee who retired by rotation is eligible for reappointment.

Executive Committee

Member of Executive Committee as of December 31, 2013:

Name	Position
1. Mr.Prompong Chaisrisawatsuk	Chairman of Executive committee
2. Miss Neeracha Panboonhom	Executive committee
3. Mr.Chayawat Teekamitree	Executive committee
4. Mrs.Kusuma Vannapruk	Executive committee

Secretary of Executive committee : Mrs.Saowanee Sutthitham

Executive committee is appointed from the board of directors by selecting director or executive officer who can manage works that are related to operation following normal business to manage regular work that is beyond authority of managing director to consider and propose vital matters to company board by having authorities determined in charter as follows.

Scope of authority of Executive committee

1. Consider and make policy of business strategy and operation plan of financial target and company budget by considering business factors reasonably to propose and ask for approval from company board.
2. Supervise and follow up company's business operation conforming to policy of business strategy, operation plan and target, financial target and company budget that are approved by company board effectively and efficiently.
3. Determine organizational and management structure covering policy of compensation rate and welfare, salary structure of the company and overall image in selection, training, employment, appointment, transferring, dismissal of company employees.

4. Consider approving any operations that are related to normal financial transaction of the company. The financial amount must be as determined by approval authority which passes consideration from company board. If it is beyond such amount, propose for approval at company board meeting.
5. Consider and approve procurement, work expansion investment including company permanent property trade by considering proposing it to company board if procurement along with work expansion investment and company's permanent property trade is out of scope and budget specified by company board.
6. Consider and approve financial transaction with financial institutions to open loan account for pawn or mortgage guarantee and other business including trade and registration on any land ownership according to objectives for benefit of company's operation along with making a contract and/or taking any operations that are related to such matters under determined amount of money. If it is beyond such amount, propose it for approval at company board meeting.
7. Consider and approve loan transaction and determine terms of loan contract from relevant business such as loan duration, and loan interest under the amount of money that is determined not over 20 million Baht.
8. Consider and give suggestion or opinions to company board about proposal project or any transactions that are related to company operation that is beyond the determined amount of money and/or relevant law and regulations or rules specify that shareholder's meeting or company board meeting can consider for approval.
9. Consider and approve regulations of policy of work management and company operation or any actions that are bonded to the company.
10. Authorize managing director to run company's business under the scope of duty and responsibility as executive committee determines under supervision of executive committee.
11. Appoint and/or assign executive committee or anybody to take actions under scope of authority of executive committee and as executive agrees. Executive committee may cancel, terminate or change such authority.
12. Has authority and responsibility as assigned or according to policy assigned by company board.

Scope of duty and responsibility of executive committee is under principles of the law and regulations such as law of Security and Exchange, specification of the Stock Exchange or Notice of SEC, notice of Capital market Supervisory Commission or the law that is related to company business including company regulations. And in case the operation or transaction has conflict on benefit and/or taking action with involved people as in related regulations and company rules, shareholders' meeting or company board meeting is supposed to consider approval and take actions as the law, regulations and company rules determine.

Manangement

Management as of December 31, 2013 as follows :-

Name	Position
1. Miss Neeracha Panboonhom	Managing Director/ Acting Public Relation Manager
2. Mr. Chayawat Teekamitree	Sales Manager
3. Mrs. Siranee Komintarachat	Customer Services Manager
4. Mrs. Sirivan Chamapun	Quality Assurance and Customer Relationship Manager
5. Mrs. Kusuma Vannapruk	Finance and Accounting Manager

Scope of managing director

At company board meeting 1/2554 held on 7 November 2554, there's a resolution determining the scope and authority of managing director as follows.

1. Take responsible , supervise operation and/or daily management of the company including supervise overall operation so as to follow the policy, business strategy, target and operation plan, financial target and company's budget approved by company board.
2. Make business plan and determine management authority including make a budget plan that is used to run business and annual expense budget.
3. Determine organization's structure, management method as well as recruitment, training, employment and dismissal of company employees and determine rate of salary, bonus and welfares for employees.
4. Has authority to issue regulations, order, and notice, record so that the operation follows the policy and company benefit and to maintain work discipline in the organization.
5. Consider, negotiate and approve a contract and/or any operations that are related to daily work and/or work management. At any rate, it must be within determined amount of money as in table of limit of Authority approved by company board.
6. Consider making a contract and/or negotiation that is related to operations and /or any actions that are involved in daily work and/or work management of the company with values beyond limited amount of money so as to give opinions and propose such subjects to company board and /or executive committee and/or people in charge of to consider screening and find final conclusion.
7. Consider appointing outside consultant for company operations properly.
8. Appoint and/or assign a person or many people to take actions under the scope of authority of managing director as managing director agrees. Managing director may cancel, terminate or change such authority.
9. Has authority and responsibility as assigned or following the policy assigned by company board and/or management committee.

Any operations that the managing director or attorney or those who may have conflict (as per Notice of Capital Market Supervisory Commission or Notice of SEC) has an interest or may have conflict on benefit with the company and/or subsidiary and/or relevant companies, Managing Director has no authority to approve operations in such matter. This must be proposed at Company Board meeting and/or shareholders' meeting to further consider of approval (It depends) except it is the approval of normal business transaction with general commercial term that follows Notice of Capital Market Supervisory Commission and/or the Stock Exchange.

Company secretary

At board meeting 4/2555, there's a resolution appointing Mrs. Saowanee Sutththam to take position of company secretary since 14 May 2555 with qualification of company secretary identified in attachment. The company secretary must do duty as specified in section 89/15 and 89/16 of Securities and Exchange Act (Issue 4) B.E. 2551 which is enforced on 31 August 2551 by doing duty with responsibility, awareness and honesty including following the law, objectives and rules of the company, committee's resolution along with resolution at shareholders' meeting by having responsibility as in the law and as the company or the board of directors assigns as follows.

- 1) Prepare and maintain documents as follows
 - a. Director Registration
 - b. Appointment letter for the Board of Directors meeting, minutes of the Board meeting and company's annual report.
 - c. Appointment letter for shareholders' meeting and minutes of shareholders' meeting
- 2) Keeping and sending the report on conflict of interest of directors and executives according to section 89/14 to the Chairman of Board of directors and the Chairman of the audit committee within 7 days since the company receives that report.
- 3) Providing preliminary advice about laws, regulations and code of conduct for corporate governance for the board of director to comply with the law.
- 4) Undertaking arrangements for the meeting of the board of directors and the shareholders conform to relevant laws and regulations, the company's articles of associations
- 5) Coordinate with the supervisory Authority such as the Stock Exchange of Thailand(SET) , the Securities Exchange Commission(SEC) and ensure that data and information disclosure to public and the supervisory Authority is in accordance with laws and regulations.
- 6) Coordinate with all departments in the company to follow the resolution of company board and shareholders' resolution.
- 7) Coordinate with shareholders, investors and mass media to propagate news and information of the company
- 8) Other actions taken by the Capital Market Supervisory Board

Remuneration of Directors and Management

The Ordinary Shareholders Meeting 2013 on March 7, 2013 and The Board of Directors Meeting 2/2013 on February 26, 2013, To approve determined remuneration of directors and sub-committee for year 2013 as follows:

Remuneration consist of

1. Monthly remuneration
 - The Chairman receives 30,000 baht per month
 - Directors receives 25,000 baht per month
2. Meeting allowance
 - The Chairman of Audit Committee receives 15,000 baht per meeting attendance
 - Member of Audit Committee receives 10,000 baht per meeting attendance
 - The Chairman of Executive Committee receives 15,000 baht per meeting attendance
 - Member of Executive Committee receives 10,000 baht per meeting attendance
3. Remuneration of authority signature (Besides of monthly remuneration) for the authorized director receives 10,000 baht per person per month

The Board of Director and Audit Committee's remuneration concluded as follows:

Director Name	Remuneration of Year 2013 (Unit : Baht)		
	Remuneration	Remuneration of Audit Committee	Total
1. Mr. Apisit Rujikeatkamjorn	480,000	-	480,000
2. Mr. Taweeep Soontornsingha	300,000	40,000	340,000
3. Mr. Suraphon Meesathien	420,000	-	420,000
4. Mr. Prompong Chaisrisawatsuk	420,000	-	420,000
5. Miss Neeracha Panboonhom	420,000	-	420,000
6. Assoc.Prof.Dr. Ruth Banomyong	300,000	60,000	360,000
7. Dr. Chalermwit Chimtragoon	300,000	40,000	340,000
Total	2,640,000	140,000	2,780,000

Remuneration of Management

The Company paid remuneration to the company's management concluded as follows:

Remuneration of Management	2013	
	Number of (person)	Amount (Million Baht)
Wage, Bonus, Position allowance, Overtime wage and Allowance	6	8.68
Other Remuneration such as Social Security Fund and other welfare.	6	0.33
Total	6	9.01

Participant of The executive committee meeting concluded as follows:

Name	Year 2013
	(Meeting Attendance / All of Meeting Times)
1. Mr. Prompong Chaisrisawatsuk	12/12
2. Miss Neeracha Panboonhom	12/12
3. Mrs.Kusuma Vannapruk ¹	10/10
4. Mr.Chayawat Teekamitree ¹	10/10

Remark ¹ To appoint the executive committee from a resolution of The Board of Directors Meeting 2/2013 on February 26, 2013.

Personnel

Number of officers

As of December 31, 2013, the company had number of officers (excluding directors and management) as follows:

Department	Number of officers As of December 31, 2013
Sales	2
Customer Service	6
QA & CRM	1
Finance and Accounting	5
Office of the Secretary	3
Total	17

Remuneration of officer

Remuneration of Officers	Year 2013 Amount (Million Baht)
Salary Wage, Bonus, Position allowance, Overtime wage and Allowance	7.09
Other Remuneration such as Social Security Fund and other welfare.	1.11
Total	8.20

Labor dispute in the past 3 years


-No-

Personnel Development Policy



The Company focuses on its personnel who are company valuable resources. Therefore, the Company committed to create and develop knowledge, skills, abilities and attitude toward the organization as well as encouraging quality job progress i.e. job description with clear roles and responsibilities for each position, appropriate selection criteria to have suitable persons meeting specified qualification. The Company also reviews the jobs yearly to encourage the employees to always keep developing themselves.

The Company has policy to keep its employees trained within the group and external training to apply to their jobs and optimize efficiency. In addition, the Company participate activities with other companies within the group regularly to build unity and good relationship. Presently, the Company outsources human resources management to Nathalin Company Limited, which includes annual employee training for its employees.



Details of Directors/ Management and Company Secretary Profile

Name - Surname/ Position	Age (year)	Education/ Seminar/ Training	% of shareholding (31/12/2013)	Family Relationship among Executive	Working Experience			
					Period	Position	Company	Type of Business
 Mr.Apisit Rujikeatkamjorn Chairman	67	- Master of Engineer (Civil Engineering), Lamar University, Texas, USA	2.78 %	-	2011 - Present	Chairman	Sea Oil Public Company Limited	Fuel Business
		2011 - Present			Chairman	Eco Lighting Co.,Ltd.	Wholesale of lighting	
		2008 - Present			Chairman	Siam Global House	Wholesale of other construction materials	
		2011 - Present			Director / Audit Committee	Public Company Limited	Oil Refinery Business	
		2009 - Present			Director	Thai Oil Public Company Limited		
		2006 - 2013			Director	Sakari Resource Co.,Ltd.	Coal Business	
		2009 - 2013			Independent Director/ Chairman of Audit Committee	Thai Lube Base Public Company Limited	Manufacture of other petroleum products	
		2006 - 2009			Director	Thai Rotary Engineering Public Company Limited	Material Products and Construction Service	
		2006 - 2011			Chairman	Bangchak Petroleum Public Company Limited	Oil Refinery Business	
		2006 - 2012			Director / Chairman of Audit Committee	Teledata (Bangkok) Co.,Ltd.	Communication Electrical Service	
		2008 - 2013			Chairman	Fortune Parts Industry Public Company Limited	Manufacture of other parts and accessories for motor vehicles	
						PAE (Thailand) Public Company Limited	Construction Business	


Details of Directors/ Management and Company Secretary Profile

Name - Surname/ Position	Age (year)	Education/ Seminar/ Training	% of shareholding (31/12/2013)	Family Relationship among Executive	Working Experience		
					Period	Position	Type of Business
 Mr.Taweep Soontornsingha Vice - Chairman/ Independent Director/ Member of Audit Committee	63	- Bachelor of Law Thammasat University - Director Accreditation Program (DAP) Class 97/2012 - Audit Committee Program (ACP) Class 42/2013 - Financial Statements of Director (FSD) Class 20/2013	-	-	2011 - Present	Independent Director/ Member of Audit Committee	Fuel Business
					1992 - 2010	Manager	Financial Banking
 Mr.Suraphon Meesathien Director	60	- Master of Public Administration Program, National Institute of Development Administration (NIDA) - Bachelor of Science, The Royal Thai Naval Academy - Diploma ,Naval War College - Director Certification Program (DCP) Class 155/2012 - Director Accreditation Program (DAP) Class 92/2011	0.56 %	-	2011 - Present	Director	Fuel Business
					2009 - Present	Vice Chairman	Marine Transport
					2007 - Present	Director	Marine Transport
					2007 - Present	Director	Sea and Coastal Freight
					2005 - Present	Director	Marine Transport
					2007 - Present	Managing Director	Sea and coastal Passenger Marine Transport Marine Transport

Details of Directors/ Management and Company Secretary Profile

Name - Surname/ Position	Age (year)	Education/ Seminar/ Training	% of shareholding (31/12/2013)	Family Relationship among Executive	Working Experience		
					Period	Position	Type of Business
 Mr. Prompong Chaisriwatsuk Director/ Chairman of Executive Committee	47	- Master in Finance, Thammasat University - Bachelor of Engineer, Chulalongkorn University - Director Accreditation Program (DAP) Class 97/2012	0.56 %	-	2005 - Present	Director/ Chairman of Executive Committee	Fuel Business
					2007 - 2013	Director	Marine Transport
					2005 - Present	Director	Sea and Coastal Passenger
					2011 - Present	Director	Marine Transport
					2012 - Present	Director	Ship Management
					2012 - Present	Director	Marine Transport
 Ms. Neeracha Panboonhom Director/ Member of Executive Committee/ Managing Director/ Deputy Public Relation Manager	32	- Master of Business Administration, RMIT University, Melbourne, Australia - Bachelor of Business Administration, Assumption University - Director Accreditation Program (DAP) Class 92/2011 - Director Certification Program (DCP) Class 170/2013	0.83 %	-	2011 - Present	Director / Executive Committee/ Managing Director/ PR Manager	Fuel Business
					2012 - Present	Director	Air Transport
					2009 - Present	Director	Spa and Massage Salon
					2012 - Present	Director	Marine Transport
					2012 - 2013	Director	Ship Management
					2012 - 2013	Director	Marine Transport


Details of Directors/ Management and Company Secretary Profile

Name - Surname/ Position	Age (year)	Education/ Seminar/ Training	% of shareholding (31/12/2013)	Family Relationship among Executive	Working Experience			
					Period	Position	Company	Type of Business
 Assoc. Prof. Dr.Ruth Banomyong Independent Director/ Chairman of Audit Committee	46	<ul style="list-style-type: none">- Doctor of Philosophy (International Logistics), Cardiff University, Wales, United Kingdom- Post - Graduate Diploma in Social Science Research Methods, Cardiff University, Wales, United Kingdom- Master of Laws (International Business Law), Universite de Paris I, Pantheon - Sorbonne, France- Diploma in translating English - French legal terms, Paris Institute of Comparative Law, France- Bachelor of Law (International Law), Universite de Paris I, Pantheon-Sorbonne, France	-	-	2011 - Present	Chairman of Audit Committee	Sea Oil Public Company Limited	Fuel Business
					1993 - Present	Faculty Instructor	Thammasat University	Education
					1996 - Present	Director	Living Head Quarter Co.,Ltd.	Interior Business
					2011 - Present	Independent Director	Charoensin Property Co.,Ltd.	Real Estate Business



Details of Directors/ Management and Company Secretary Profile

Name - Surname/ Position	Age (year)	Education/ Seminar/ Training	% of shareholding (31/12/2013)	Family Relationship among Executive	Working Experience		
					Period	Position	Company
Assoc. Prof. Dr.Ruth Banomyong		<ul style="list-style-type: none"> - Bachelor of Economics, Lycee Michelet, France - Director Certification Program (DCP) Class 103/2008 - Audit Committee Program (ACP) Class 13/2006 - Director Accreditation Program (DAP) Class 44/2005 					



Details of Directors/ Management and Company Secretary Profile

Name - Surname/ Position	Age (year)	Education/ Seminar/ Training	% of shareholding (31/12/2013)	Family Relationship among Executive	Working Experience		
					Period	Position	Type of Business
 Dr.Chalemwit Chimtragoon Independent Director/ Member of Audit Committee	64	- Doctor of Philosophy (Educational Administration and Leadership) : Saint John's University - Master of Technical Education, King Mongkut's University of Technology North Bangkok - Bachelor of Education, Srinakharinwirot University - Director Certification Program (DCP) Class 158/2012 - Director Accreditation Program (DAP) Class 92/2011 - Audit Committee Program (ACP) Class 42/2013	-	-	2011 - Present	Independent Director	Fuel Business
					2009 - Present	Chairman of Project "Director Instructor and Staff Development" (Master of Education)	Education


Details of Directors/ Management and Company Secretary Profile

Name - Surname/ Position	Age (year)	Education/ Seminar/ Training	% of shareholding (31/12/2013)	Family Relationship among Executive	Working Experience		
					Period	Position	Type of Business
 Mrs. Siranee Komintarachat Customer Service Manager	40	- Master of Social Administration, Thammasat University - Bachelor of Business Administration, Bangkok University	0.11 %	-	2010 - present	Customer Service Manager	Fuel Business
					2006 - 2010	Sale Representative	Fuel Business
 Mrs. Sirivan Chamapun Quality Assurance & Customer Relationship Management Manager	63	- Modern Manager Program Chulalongkorn University - Mini MBA Thammasat University - Graduate Diploma in Secretary Professional The Bangkok Commercial College	0.04 %	-	2011 - Present	QA & CRM Manager	Fuel Business
					2010 - 2011	Advisor	Fuel Business
					1998 - 2010	Customer Service Manager	Fuel Business

Details of Directors/ Management and Company Secretary Profile

Name - Surname/ Position	Age (year)	Education/ Seminar/ Training	% of shareholding (31/12/2013)	Family Relationship among Executive	Working Experience		
					Period	Position	Type of Business
 Mr.Chayawat Teekamitree Member of Executive Committee/ Sale Manager	43	- Master of Business Administration (Marketing), Sripatum University - Bachelor of Science, King Mongkut's University of Technology North Bangkok	0.06 %	-	2012 - Present	Sales Manager	Fuel Business
					2010 - 2012	Sales Supervisor	Fuel Business
					2003 - 2010	Key Account Manager	Fuel Business
 Mrs.Kusuma Vannapruk Member of Executive Committee/ Finance & Accounting Manager (CFO)	46	- Bachelor of Political Science, Thammasat University - CFO Certification Program Class 17/2013	0.06 %	-	2013 - Present	Finance & Accounting Manager	Fuel Business
					2007 - 2012	Bank Manager	Financial Institution

Details of Directors/ Management and Company Secretary Profile

Name - Surname/ Position	Age (year)	Education/ Seminar/ Training	% of shareholding (31/12/2013)	Family Relationship among Executive	Working Experience		
					Period	Position	Type of Business
 Mrs.Saowanee Sutthitham Company Secretary	39	- Bachelor of Business Administration (Accounting) Ramkhamhaeng University - Company Secretary Program (CSP 42/2012)	0.00	-	2012 - Present	Company Secretary	Fuel Business
					2009 - 2012	Accounting & Finance Manager	Travel Agent
					2004 - 2006	Head of Compliance and Internal Audit office	Factoring Business

Corporate Governance

The Board of Directors and Management Department emphasize on the good corporate management leading the company to have the management system which is efficient, transparent, auditable, and fair for all parties, for example, the shareholders, investors, stakeholders, and related persons. Moreover, this can create the trustworthy, increase the competitiveness to the company, and increase the value to the shareholders in long term within the frame of ethics and social responsibility in order to create the stability and strong foundation to the company.

The first meeting of the Board of Directors of 2011 held on 7th November, 2011, and the sixth meeting of the Board of Directors of 2012 held on 1st November, 2012, had the resolution to approve the principles of corporate management as the guidelines for the practice and management of the company. The mentioned principles of corporate management are classified into 5 categories which can be summarized as follows:

Category 1 : Rights of shareholders

The Board of Directors realizes and emphasize on the rights of the company's shareholders. The fundamental rights of shareholders are as follows:

- Right in trading or transferring the shares
- Right in attending the shareholder's meeting and voting in the shareholder's meeting for making the decision in the subjects affecting the company, for example, dividend allocation, stipulation or modification on the regulations and memorandum of association, reduction or increase of capital, approval of specialties, etc.
- Right in giving proxy to other persons to attend the meeting and vote on behalf of them
- Right in voting in the election or withdrawing each director
- Right in voting for stipulating the remuneration of directors annually
- Right in voting for nominating and stipulating the remuneration of auditors
- Right in participating and acknowledging when there are some significant changes in the company
- Right in receiving the information when there is a change in the capital structure, controlling power, or significant trade of the company's assets
- Right in proposing the opinion and queries in the shareholder's meeting
- Right in acknowledging the rules and methods in attending the shareholder's meeting
- Right in proposing the agenda of shareholder's meeting
- Right in proposing the names of persons for being nominated in the position of company's directors

- Right in participating in the enforcement of the company's work performance
- Right in being shared for the company's profits
- Right in receiving adequate and up-to-date information

In order to protect the rights of shareholders and encourage the shareholders to use their rights, the Board of Directors sets the guidelines for the practice as follows:

1. Shareholder's meeting

- The annual shareholder's meeting will be held within 4 months from the termination date of accounting year of the company or as regulated by law. The company may call for the extraordinary shareholder's meeting if the Board of Directors considers it is necessary or deserved.

The invitation letter for the shareholder's meeting will indicate the information about the date, time, venue, and agenda for the meeting. The subjects proposed for the acknowledgement, approval, or consideration will be clearly indicated depending on each case.

- Indicating the comments of the Board of Directors in the proposed subjects completely and adequately including indicating the criteria and methods of meeting attendance and voting in each agenda
- Publicizing the information on the annual common shareholder's meeting on the company's website for at least 30 days in advance before the meeting date in order to let the shareholders have chance in studying the information on the meeting in advance before receiving the invitation letter for the meeting in the form of document sent by the company to the shareholders for not less than 7 days prior to the meeting date
- Advertising the notification on the arrangement of shareholder's meeting via daily newspaper for at least 3 days prior to the meeting date and in not less than 3 contractual days
- The shareholders who cannot attend the meeting by themselves can use the right for voting by giving proxy to other person in attending the meeting and voting on behalf of them.
- Proposing at least 1 independent director as the choice for the shareholders to give proxy in the case that any shareholder cannot attend the meeting by himself
- The shareholders will be informed about the regulations and methods in attending the meeting. The company will explain about voting and calculation of votes clearly before starting the meeting.
- Using the voting cards in all agenda having to find the resolution and calculating the votes. In each agenda, it should be transparent and within the appropriate time. 1 share is for 1 vote. The calculation is on the majority or the votes as regulated by law for such agenda. The voting cards will be kept for future examination within the appropriate time.

- Allowing the shareholders to be able to vote for the election of directors individually
- During the meeting, the chairman in the meeting allows all shareholders to have equal rights in expressing the opinions and queries within the appropriate time. Related directors and executives can explain and give the information to all shareholders completely.
- Allowing all shareholders to have rights in proposing the subjects considered to be important and deserve to be contained in the agenda for the shareholders to consider in the annual common meeting of shareholders including proposing the names which are considered by the shareholders as being qualified to be elected as the Board of Directors to propose to the meeting of the Board of Directors for the consideration and proceeding the next operation
- As the Board of Directors focuses on the shareholder's meeting, the directors and the sub-committee as well as the executives and related persons including the auditors are encouraged to attend the shareholder's meeting. The shareholders can inquire the sub-committee in the related subjects.
- Providing the minute of shareholder's meeting completely by recording the names of directors attending and not attending the meeting, methods of voting and calculation of votes, significant explanation, queries, opinions, and resolutions of the meeting classified by the agreeing votes, not agreeing votes, and no vote in each agenda.

2. Dividend payment

- The company has the policy of dividend payment in the rate of not less than 30% of the net profit after deducted with the corporate income tax and all types of reserves as regulated by law and as specified in the company's regulations. In addition, the Board of Directors is authorized in approving the consideration in the dividend payment by considering the factors beneficial for the shareholders, for example, reserved fund for the loan payment, investment plan for business expansion or for the supporting of cash flow of the company in case of having impact from the change in market condition, etc. The resolution of the Board of Directors considering such subject must be approved by the shareholder's meeting except for the interim dividend payment. The Board of Directors is authorized in the interim dividend payment and reports to the shareholder's meeting in the next meeting.
- The company will regulate the policy on the dividend payment by considering the operational status and the demand on fund spending. The dividend will be paid from the net profit after deducted with all types of reserves as regulated by law. The policy on the dividend payment includes the annual dividend payment and the interim dividend payment paid to the shareholders. This dividend payment can be changed depending on the investment plan, necessity, and other suitability in the future.

- Notifying the shareholders rapidly about the resolution of the shareholder's meeting or the meeting of the Board of Directors in relation with the dividend payment through the channel of Stock Exchange of Thailand and the company's website. The dividend will be paid within 1 month from the date that the shareholder's meeting or the meeting of the Board of Directors has the resolution depending on each case.

3. Nomination of auditor

- The annual common shareholder's meeting nominates and indicates the remuneration of the company's auditor every year. The nominated auditor and the remuneration of auditor proposed by the company to the shareholder's meeting for the consideration and approval must be approved by the Audit Committee and the Board of Directors.

4. Contact for Company's information

- Providing the channel which the shareholders can contact and ask for the company's information directly from the company's secretary or the investor relations officer.

Category 2 : Equal treatment to shareholders

The company has the policy to create the equality in treating all shareholders; the executive shareholders, the non- executive shareholders, foreign shareholders, and the minor shareholders as follows:

- Treating and facilitating all shareholders equally and not doing anything which limit, infringe, or derogate the right of shareholders
- Specifying the right in voting in the meeting as per the numbers of shares held by the shareholders. 1 share is for 1 vote. The shareholder who has conflict in any subject will have no right to vote in such subject.
- Specifying the independent directors to supervise the minor shareholders by expressing the opinions or sending the claims to the independent directors for examining the fact and finding the solution. The independent directors will propose such subject considered to be significant for the company to the shareholder's meeting for the consideration to be contained in the agenda of the shareholder's meeting
- The meeting will be conducted follow the company's regulation and the agenda with full details presented in each agenda with data clearly proposed for the consideration. Moreover, the agenda which is not notified to the shareholders in advance will not be included especially for the agenda with significance for the shareholders which the shareholders have to spend time in studying the information before making the decision.
- In case that any shareholder cannot attend the meeting by himself, he can give proxy to any independent director or person to attend the meeting on behalf of him with the power of attorney sent by the company along with the invitation letter of the shareholder's meeting

- The voting is conducted transparently follow the specified agenda. The agenda of director election should be participated by the shareholders in order to use the right in voting the directors with the resolution individually.
- The Board of Directors stipulates the measures to prevent the Insider Trading by related persons including the executive directors, staffs, and employees of the consortium related to the data (including the spouses and children who have not reach the legal age of such person). This includes the punishment on the disclosure or the use of company's data for one's benefits following the policy to prevent the Insider Trading.
- Giving the knowledge and understanding to the Board of Directors and the executives in reporting the holding of securities to the Office of Securities and Exchange Commission according to Section 59 of Securities and Stock Exchange Act B.E.2535 as well as notifying the information and regulations of Office of Securities and Exchange Commission and Stock Exchange of Thailand to the Board of Directors and the executives as notified from such bureau regularly

Category 3 : Roles of stakeholders

The company is aware of the significance in supervising and concerning all groups of stakeholders both internal and external who are the shareholders, employees, and the executives of the company or the external stakeholders such as the competitors, trading partners, customers, etc. The company will not perform any act which is the infringement of the stakeholders. Moreover, the company also supports in the protection and preservation of the rights of the stakeholders fairly following the lawful rights or agreement with the company. The roles which the company should play to the stakeholders are as follows:

1) Roles to the stakeholders

The company operates the business by emphasizing on the company's growth continually in the long term for creating the good benefits to the shareholders and operating the business transparently provided with the efficient internal control system. The company will not perform any operation which will cause the conflict of interest.

2) Roles to the employees

The company treats all employees equally and fairly by giving suitable benefits and giving the chances to the employees in various subjects in order to encourage the employees to have the advancement in the profession as well as providing the good environment and safety in working.

3) Roles to the customers

The company emphasizes mainly on customer satisfaction by delivering the goods to the customers quickly and punctually following the demand of customers so that the customers will obtain benefits and maximum satisfaction. The company also emphasizes on preserving the confidentiality of customers and not revealing the customer's information except permitted or having the duty to reveal it as regulated by law.

4) Roles to the creditors and trading partners

The company treats the creditors and trading partners with the honesty by mainly considering the benefits of the creditors and trading partners. The company also conforms to the terms and conditions specified to all creditors and trading partners within the criteria regulated by law.

4) Roles to the competitors

The company operates the business within the law and rules. We will not operate any dishonesty causing damage to the competitors.

5) Roles to the society

The company is responsible for the society and environment by strictly conforming to the law on the safety and environment.

Category 4 : Revelation of data and transparency

The company provides the revelation of significant data both financial and non-financial data correctly, punctually, and transparently following the criteria in the revelation of data of Office of Securities and Exchange Commission and Stock Exchange of Thailand as well as other significant data affecting the price of securities of the company and the process of decision making of the investors and stakeholders of the company. The company will publicize the information technology of the company to the shareholders, investors, and public via the channels and media of Office of Securities and Exchange Commission and Stock Exchange of Thailand as well as the company's website; www.seaoilthailand.com.

Regarding the investor relations, the company assigns Mrs. SaowaneeSutthitham, the company's secretary/ investor relations to communicate with the investors and shareholders including the analysts and related public sectors. The shareholders and the investors can contact such bureau at 02-398-9850-1or at E-mail address: ir@seaoilthailand.com.

Category 5 : Responsibilities of directors

The Board of Directors plays an important role in the corporate management. The persons who are nominated as the Board of Directors must be qualified, have honesty to the duty, vision, determination on the responsible tasks, and independence in decision making for creating maximum benefits to the company and shareholders entirely for making the structure of the Board of Directors suitable for the business operation. In order to make the operational framework, duties, and responsibilities of the Board of Directors clear, the directors stipulate the guidelines for the practice as follows:

1. Structure of the Board of Directors

- 1.1 The Board of Directors must be the persons with knowledge, competence, and experience from various industries which can promote the business. Presently, the company has 7 directors; 2 executive directors and 5 non-executive directors consisting of 3 Audit Committees/independent committees following the requirement that the company must

have independent committees at least one third of all directors but must not less than 3 persons and the independent committees responsible for being the Audit Committees must not less than 3 persons. The directors must be the qualified persons as mentioned above in the selection of the Board of Directors.

- 1.2 The Board of Directors nominates 2 sub-committees; Audit Committee and Executive Committees for mitigating the responsibilities of the directors and assisting the directors in the corporate management for achieving the specified goal. Each sub-committee will perform the duty within the scope of assigned power and duties and propose to the directors for considering or acknowledging (the details on the scope of power and duties of Audit Committees and Management Committees has been mentioned in the subjects of “Audit Committees” and “Executive Committees”).
- 1.3 The company divides the duties of the Board of Directors and management team clearly. The President and Managing Director must not be the same person. The Board of Directors regulates the policy, stipulates the strategic framework, observes, and assesses the performance of management team for ensuring that the policies and processes are suitable applied in the practical way effectively for maximum benefits of the company and stakeholders.
- 1.4 The Board of Directors provides the company’s secretary to be responsible for coordinating and supervising the conformity to the resolution of the Board of Directors in preserving the documents and data including communicating the shareholders and related supervising bureaus.

2. Roles, duties, and responsibilities of the Board of Directors

- 2.1 The Board of Directors is responsible for supervising and regulating significant policies of the company which are the main policy in the business operation, the policies on finance, fundraising, fund management, risk management, etc.
- 2.2 The Board of Directors is responsible for considering and approving in the significant matters for the company’s operation, for example, in the vision, mission, policies, business strategies, operational plan, financial objective, investment projects, and company’s budget including the supervision on the management team to perform the operation efficiently and effectively following the stipulated policies and plans.
- 2.3 Supervising normal business operation of the company and supervising the management team to perform the operation efficiently and effectively following the vision, mission, policies, business strategies, operational plan, financial objective, and company’s budget for maximum benefits to the company and the shareholders.
- 2.4 The Board of Directors is responsible for considering and regulating the policy of good corporate management and supervising the conformity to such policy. The 1st meeting of the Board of Directors of 2011 held on 7th November, 2011, approved the stipulation of policy on corporate management and the 6th meeting of the Board of Directors of 2012

held on 1st November, 2012, approved the modification and addition of such policy on corporate management. The Board of Directors will perform the revision on the policy of good corporate management regularly at least once a year. Moreover, after registering the securities in the MAI Stock Exchange, the company will conform to the rules and regulations as stipulated by Office of Securities and Exchange Commission and Stock Exchange of Thailand and disclose the report of supervision in the annual report and the annual form of data presentation (Form 56-1).

- 2.5 The Board of Directors considers and indicates the ethics in business operation of the company for the company's executives and employees to use as the guidelines for the practice.

The company indicates the ethics in business operation in written form in order that the directors, company's executives and employees can use as the guidelines for the practice with honesty as well as treating all groups of stakeholders and the society appropriately. The company will declare and notify all employees to acknowledge and conform as the guidelines for the practice.

- 2.6 The Board of Directors is responsible for cooperating with the Audit Committee in considering and stipulating the guidelines for creating the transaction possibly causing the interest conflict by mainly considering the company's and shareholder's benefits. This includes the supervision on the conformity to the requirements on the operational process and the disclosure of data of any transaction possibly causing the interest conflict correctly and completely.

The company regulates the policy on the prevention of interest conflict on the principle that any decision in business operation must be for maximum benefits to the company and should avoid performing any action possibly causing the interest conflict. The related persons or stakeholders to the considered transaction must notify the company about their relationship or stake holding of such transaction and must not participating in considering such transaction as well as not having any authority in approving such transaction.

- 2.7 The Audit Committee will examine and consider the appropriateness of relevant transaction and transaction with interest conflict carefully in order to present to the meeting of the Board of Directors and/or shareholder's meeting (depending on each case). The company must conform to the criteria as regulated by Office of Securities and Exchange Commission and Stock Exchange of Thailand as well as disclosing in the Note to Annual Financial Statements and annual form of data presentation (Form 56-1).

- 2.8 The Board of Directors is responsible for cooperating with the Audit Committee in considering and stipulating the controlling system on the operation of financial report and the conformity to the regulations and policies. The Board of Directors assigns the Audit Committee to be responsible for auditing such controlling system and the Board of Directors will perform the revision on the system regularly at least once a year.

- 2.9 The Board of Directors is responsible for cooperating with the Audit Committee in considering the annual financial statements, trimester financial statements, and financial information appeared in the annual financial report as well as assessing the adequacy of internal controlling system of the company for revealing to the investors.
- 2.10 The Board of Directors is responsible for cooperating with the Audit Committee in considering and stipulating the policy on risk management covering the entire organization by assigning the management team to implement the policy and report to the Board of Directors and/or Audit Committee regularly. The Board of Directors will perform the revision on the system or the assessment on the effectiveness of risk management at least once a year periodically when the level of risk is found to change. This includes the focus on the abnormal transaction and event possible indicating any abnormality. If such event occurs, the Audit Committee will propose to the meeting of the Board of Directors for stipulating the solution in time.

3. Meeting of the Board of Directors

- 3.1. The Board of Directors must hold the meeting at least quarterly. In the case that the Board of Directors not holding the meeting every month, the non-executive directors can ask for the monthly report of operational performance from the management team or the company's secretary so that the Board of Directors can supervise the operation of the management team continually and timely.
- 3.2. The Board of Directors will receive the invitation letter together with the documents supplementary to the meeting for not less than 7 days in advance prior to the meeting date in order that the Board of Directors can consider the agenda completely. In the case that any director cannot attend any meeting, he must notify the reason to the company's secretary.
- 3.3. In selecting the subjects to be used as the agenda, the Board of Directors, President, and Managing Director will consider altogether following the significance and necessity. Each director can propose the subjects to be used as the agenda to the Board of Directors independently.
- 3.4. In the case that any director disagrees with the resolution of the meeting of the Board of Directors, he can ask the company's secretary to record the opposition in the minute of meeting.
- 3.5. The company's secretary clearly records the minute of meeting by recording the queries and explanations of the management team to the meeting as well as the comments and recommendations of the directors.
- 3.6. In the consideration on each matter, the President of the Board of Directors will be the Chairman of the meeting and will grant the chance for the directors to express their opinions independently. Regarding the resolution of the meeting of the Board of Directors, the majority votes will be considered. One director has one vote. The directors who have stakes may not attend the meeting or vote in such matter. If the votes are equal, the Chairman of the meeting will vote for the final judgment.

The summary of attendance of the meeting of the Board of Directors in 2011 and 2012 is presented in 9.3 meeting of the Board of Directors.

4. Assessment on the operational performance of the Board of Directors

- 4.1. The Board of Directors should assess the operational performance by themselves regularly for mutually considering in the performance and problem for finding the improvement and solution with the reasonably specified norm.
- 4.2. The Board of Directors should assess the operational performance of the Board of Directors as a whole and/or in some subjects which do not focus on any director individually.

5. Remuneration

- 5.1. The company regulates the clear policy on the remuneration of Audit Committee and Executive Committee and proposes for the approval to the shareholder's meeting annually by considering based on the fairness, appropriateness, experience, duties, and scope of responsibilities of each committee. The remuneration is in the level that can attract the committee with knowledge and competence to continue working with the company.
- 5.2. The remuneration of Managing Director and the top executives should follow the principles and policies stipulated by the Board of Directors. The indication of remuneration in salary and incentive in the long term should be in accordance with the company's operation and the operational performance of each executive.
- 5.3. All non-executive directors assess the Managing Director annually to be used in the consideration of remuneration of Managing Director by using the mutually agreed norm.

6. Development on the directors and the executives

- 6.1. The company has the policy in promoting the training and knowledge giving to related persons in the system of corporate management such as the Audit Committee, the executives, the company's secretary, etc. for continually improving the operational performance.

Supervision on the Insider Trading

The Board of Directors stipulates the measures to prevent the Insider Trading by related persons including the executive directors, staffs, and employees of the consortium related to the data (including the spouses and children who have not reach the legal age of such person). This includes the punishment on the disclosure or the use of company's data for one's benefits following the policy to prevent the Insider Trading as follows:

1. The company stipulates the prevention of Insider Trading by regulating the prohibition in the regulations of operation so that the executive directors and employees of the company cannot use the internal data with significance of the company to be revealed or used for one's benefits.
2. The executive directors and employees of the company should avoid using the internal data for one's benefits in purchasing or selling the shares of the company. The trade on the company's

securities should be avoided and omitted in the duration of 1 month before the revelation of financial statements. It should be waited for at least 24 - 48hours after revealing the significant data possibly affecting the share price of the company to public before trading the company's shares.

3. The company gives knowledge and understanding to the directors and the executives of the company about the duty in reporting the holding of securities of themselves, their spouses and children who have not reach the legal age to the Office of Securities and Exchange Commission according to Section 59 of Securities and Stock Exchange Act B.E.2535 ("Securities Act") and the requirements of SET including the duty in reporting the stake holding of the directors and the executives and the prohibition in using the internal data with significance of the company for trading the company's shares including stipulating the relevant punishment according to Securities Act.
- 4 The Need-to-Know Basis should be stipulated, for example, the communication between the bureaus, the access of area, and the giving or asking for the information between the bureaus must be approved by the highest-ranked supervisors of the bureaus.

Nomination of directors and executives

The company does not have the Nominating Committee. When any director having been in the position in full tenure or having necessity to nominate more directors or executives, the current directors will consult altogether for considering the selection of directors by using the criteria and methods in the nomination by considering the knowledge and competence including the work experience for the consideration on specifying the qualified persons with the experience, knowledge, and competence beneficial for the company to be the directors or executives. The persons nominated to be the directors or executives of the company must be fully qualified following Section 68 of the Act of Public Company Limited B.E.2535(including the amendment) and the Notification of Securities and Exchange Commission and must not have the prohibited characteristics following the Securities Act (including the amendment), other laws, and related regulations with the criteria of nomination as follows:

Nomination of Board of Directors

Qualification of the Board of Directors

- Having knowledge, competence, and experience in business operation
- Having honesty and ethics
- Being able to specify and manage the significant risks to the company
- Being determined and dedicating the time for the responsible tasks completely

The Board of Directors must be qualified and must not have prohibited characteristics as regulated by law on Public Company Limited, law on securities and stock exchange, Notification of public bureaus supervising the company. In case of independent directors, they must be qualified as specified by the company and the Capital Market Supervisory Board.

Criteria in the nomination of Board of Directors are as follows:

1. The Board of Directors must consist of at least 5 directors. The numbers of directors not less than a half (1/2) of all directors must have the residence in Thailand and be qualified as regulated by law. The requirements of the company indicate the shareholder's meeting to elect the directors following the criteria and methods as follows:
 - 1) One shareholder has one vote.
 - 2) Each shareholder will use the votes in (1) electing one or several persons as the directors. In case of electing several persons to be the directors, the votes cannot be divided to one more than the others.
 - 3) The persons with the highest votes will be elected as the directors equal to the number of directors to be elected in that election. In the case that the elected persons in the lower order have the equal votes more than the numbers of directors should be elected in that time, the Chairman of the meeting will perform the final judgment.
2. In all agenda of the shareholder's meeting, one-third of all directors will be retired by rotation. If the numbers of directors cannot be divided into 3 parts, the number closest should be used. One third of the directors retired can be re-elected for the position. The directors who retired in the first and the second year after the registration must be random. After two years, the directors who has the longest period will be retired.
3. Apart from retired by rotation, the directors will leave the position when they are deceased, resign, disqualified, or have the prohibited characteristics following resolution of the shareholder's meeting or the judgment of the Court.
4. The shareholder's meeting may have the resolution for any director to leave the position with the votes of not less than three fourth (3/4) of the numbers of shareholders attending the meeting, having rights to vote, and having total shares for not less than a half (1/2) of the numbers of shares held by the shareholders attending the meeting and having rights to vote
5. In the case that the position of directors is vacant because of other reasons apart from the retiring by rotation, the directors must select the qualified persons without prohibited characteristics as regulated by law on Public Company Limited, law on securities and stock exchange to attend the next meeting as the directors except that the period of such director remains less than two months. The selected directors will be in the position only in the remaining period. The resolution of the meeting of the directors must consist of the votes for not less than three fourth (3/4) of the remaining directors.

Nomination of Audit Committee and Independent Directors

Qualification of the Independent Directors is as follows:

1. Holding the shares for not more than 1% of the shares with the right to vote of the company, the mother company, affiliates, consortium, major shareholders, or the persons with authority in controlling the company. This includes the counting of shares of related persons to such Independent Directors as well.
2. Never been or having been the directors with the participation in managing the employees or consultants with salary or the persons with authority in controlling the company, the mother company, affiliates, consortium, major shareholders, or the persons with authority in controlling the company excepted for being free from the aforesaid characteristics for not less than 2 years before the date of requesting the permission from the Office of Securities and Exchange Commission. The prohibited characteristics exclude the case that the Independent Directors have been the government officials or the consultants of public sectors who are the major shareholders or the persons with authority in controlling the company.
3. Not being the persons of same blood relationships or by the legal registration in the kind that the parents, spouses, brothers, sisters, and children including the spouses of the children of the executives, major shareholders, persons with authority in controlling or other persons nominated to be the executives or the persons with authority in controlling the company or the affiliates.
4. Never been or having been in the business relationships with the mother company, affiliates, consortium, major shareholders, or the persons with authority in controlling the company in the kind of obstructing the use of discretion freely including never been or having been the shareholders with the significance or the persons with authority in controlling of the persons with the business relationships with the mother company, affiliates, consortium, major shareholders, or the persons with authority in controlling the company excepted for being free from the aforesaid characteristics for not less than 2 years before the date of requesting the permission from the Office of Securities and Exchange Commission.
5. Never been or having been the auditor of the mother company, affiliates, consortium, major shareholders, or the persons with authority in controlling the company and not shareholders with the significance or the persons with authority in controlling or the partners of the audit office with the auditor of the mother company, affiliates, consortium, major shareholders, or the persons with authority in controlling the company excepted for being free from the aforesaid characteristics for not less than 2 years before the date of requesting the permission from the Office of Securities and Exchange Commission.
6. Never been or having been the professional service providers including the service of law consultants or financial consultants receiving the service fee for over 2 million baht per year from the mother company, affiliates, consortium, major shareholders, or the persons with authority in

controlling the company and not being shareholders with the significance or the persons with authority in controlling or the partners of the professional service providers excepted for being free from the aforesaid characteristics for not less than 2 years before the date of requesting the permission from the Office of Securities and Exchange Commission.

7. Not being the directors nominated as the representatives of the Board of Directors of the company holding the majority of shares or the shareholders in relationship with the major shareholders
8. Not operating the business with the same condition and the significant competition to the company business or the affiliates or not being the partners with the significance in the partnership or the directors with the participation in managing the employees or consultants with salary or holding the shares for over 1% of the shares in other company with the same kind of operation and the significant competition to the business operation of the company or the affiliates
9. Not having any other features which cannot express the opinions independently in relation with the company's operation

The qualification of the aforementioned independent directors follows the definitions specified in the Notification of Capital Market Supervisory Board.

Qualification of the Audit Committee

1. Being nominated from the directors or company shareholder's meeting to be the Audit Committee
2. Being the independent directors and must:
 - 2.1 Not being the directors assigned by the Board of Directors in making the decision of the operation of the mother company, affiliates, consortium, major shareholders, or juristic persons possibly having some conflict
 - 2.2 Not being the directors of the mother company or the affiliates only for the registered company
3. Having the duty in the same kind as specified in the Notification of Stock Exchange on the qualification and operational scope of the Audit Committee
4. Having knowledge and experience sufficient for performing the role of Audit Committee. There must be at least 1 Audit Committee with knowledge and experience in accounting and finance sufficient for performing the role in verifying the credibility of financial statements. Moreover, the company will consider other qualifications, for example, the experience in business, proficiency in relation with the business, the ethics, etc.

Audit Committee is nominated by the Board of directors or the shareholder's meeting of the company selected from the Board of directors with the qualifications following the notification of Securities and Exchange Commission and following the principles of corporate management of the Audit Committee there must be at least 1 person with the knowledge in accounting/finance sufficient for auditing and supervising the company's operation as well as the supervision on the financial report, internal control system in the selection of auditor and in selecting the auditors as well as the consideration on the conflict of interest.

Audit Committee retired by rotation can be re-nominated for the position. In the case that the Audit Committee is vacant because of other reasons apart from the leaving in the specified period, the directors must nominate the qualified persons to be the Audit Committee in the numbers specified by the Board of directors. The persons to replace the Audit Committee must be in the position only in the remaining period of such Audit Committee. When the position of Audit Committee is vacant until there are less than 3 persons, the Board of directors or the shareholder's meeting nominating in full numbers within the duration of not over 3 months from the date of having less than 3 persons in the Audit Committee.

Nomination of Executive Committee

- The Board of Directors will nominate the Executive Committee by selecting from the top executives of the company who can perform the management in the operation of normal business to manage the regular work apart from the power and duties of Managing Director and supervising the management for proposing the significant matters to the Board of Directors

Nomination of Managing Director

The Board of Directors and/or the assigned persons from the Board of Directors will consider nominating the Managing Director by considering from the persons with knowledge, competence, and experience related to the operation of the company business.

The Board of Directors Meeting

Participant of The board of directors meeting concluded as Follows;

Director Name	Year 2013 (Meeting Attendance/ All of Meeting Times)	Remark
1. Mr. Apisit Rujikeatkamjorn	7/7	-
2. Mr. Tawee Soontornsingha	7/7	-
3. Mr. Suraphon Meesathien	7/7	-
4. Mr. Prompong Chaisrisawatsuk	6/7	Absence 3/2013*
5. Miss Neeracha Panboonhom	7/7	-
6. Assoc. Prof.Dr.Ruth Banomyong	4/7	Absence 2, 4 and 7/2013**
7. Dr. Chalermwit Chimtragoon	7/7	-

Remark * Absence due to working up-country.

** Absence due to working aboard.

Participant of the audit committee meeting concluded as follows:

Name	Year 2013 (Meeting Attendance / All of Meeting Times)
1. Assoc.Prof.Dr. Ruth Banomyong	4/4
2. Mr. Taweeep Soontornsingha	4/4
3. Dr. Chalermwit Chimtragoon	4/4

Audit Fee

For the year 2013, the company paid audit fee to BPR Audit and Advisory Company Limited for the amount of THB 773,710 that divided to 2 parts as follows:

- (1) Audit fee for year 2013 and trimester (including miscellaneous expenses) the amount of THB 663,710
- (2) Non-audit fee which included all documents translation and financial statement review for filing information submission to be Listed Company in The Stock Exchange of Thailand.



Social Responsibility

The company has a clear obligation to build image to be well known in market and administrate the organization according to corporate governance. The company will emphasize on business governing so that it grows effectively and sustainably by holding the principle of transparency, morality and taking company's stakeholders into account no matter they are shareholders, employees, trade partners or relevant third parties. The important thing to build up the fame of the company is not only running the business but also social and environmental realization that we can return to the society. The company has started taking responsibility for society from the organization to third parties as well as supporting all employees to always be responsible for society.

To take responsibility for the society, the company will divide it into 2 sections that are CSR-in-process and CSR-after-process by having working team that is particularly in charge of social activity and works in accordance with 8 principles of CSR operation such as business operation with fairness, anti-corruption, human right respect, fair treatment to labor, responsibility for consumers, environment conservation, community or society development and innovation provision and innovation propagation. Therefore, the company has policies involved in social responsibility to be limits and guidelines for practices conforming to the principles of the Stock Exchange of Thailand.

Overall Policy

The company board has a resolution and approves determining vision year 2013 that "we will be one of the business leaders distributing marine fuel, trading oil internationally, and running business of materials and service provision". The company determines obligations to run the business so as to be well known in market by expanding customer group as well as satisfying them and adding values under organization administration with corporate governance. Therefore, the company has a policy to govern the business that is approved by company board with objectives to make the management system effective, transparent and checkable. It is also the way to build up fairness to shareholders, investors and stakeholders including add values for shareholders for long-term. Such policy gives precedence to take care of all groups of stakeholders of shareholders, employees, company executive and outside stakeholders such as opponents, trade partners and customers etc.

Policy of business governance in section 3, roles of stakeholders, determines the roles of stakeholders by the company shall treat them equally and fairly and also arrange good environment and safety in work that will be in accordance with policy of quality, safety, bio-sanitation and environment in company. But for roles to customers, the company emphasizes on satisfying customers and delivering products punctually and the company has a policy to control product loss and delivery so as to control and maintain quality and quantity of products in every time of delivery and also realizes that good service and honesty is important. For roles to society, the company has to take responsibility for society and environment by holding on the law of safety and environment strictly and a significant role is roles to shareholders the company focuses on continual business growth and runs business transparently to give good returns to shareholders.

However, policy of business governance in such section shows that the company has intent to be responsible for society, environment and stakeholders by determining obligation as a goal and completely responding it with policy of business governance and other policies of the company according to 8 principles of the Stock Exchange of Thailand.

Also, the meeting has a resolution approving “ Business Code of Conduct” to be the standard of practices in terms of morality and ethics of committee, executives, employees and shareholders that hold on 8 principles of the Stock Exchange of Thailand with essential details as follows

- Focus on practices with honesty, transparency, fairness and keeping benefit of the company and shareholders and do not take any actions that may cause damages to the company.
- Take action to follow the law and regulations related to business operation strictly and do not take any actions that support or encourage performing illegally or avoiding the law.
- Executives do not ask, receive, or agree to receive as well as do not or will give any fraudulent benefit or something that is not trade usage with trade partners and/or creditor and always give true and correct company’s data.
- Pay respect to individuality and human dignity of employees and avoid taking any actions that are unfair and may be threatening and pushing pressure toward employees’ minds.
- Treat employees by arranging reasonable and fair welfare and returns including give precedence and promote competency development for employees fairly and thoroughly.
- Provide quality service and maintain standard of product’s quality following vocational standard as well as follow terms, obligations or proposals given to customers or people strictly.
- Promote and provide innovation in service and production so that customers can gain more benefit and have satisfaction.
- Do not take any actions that damage natural resources and environment and create awareness to every level employee to take responsibility for society seriously and regularly as well as promote holding activities created for society including give profit to society (referred to policy of regulations of business operation)

Therefore, policy of business code of conduct will emphasize on following determined obligations that are satisfying customers, building image to be well known in market, organization management under corporate governance by realizing responsibility for society, environment and stakeholders according to 8 principles of the Stock Exchange of Thailand. Policy of Business Code of Conduct will be a root that causes the company grow effectively and step forward sustainably in the future.

Operations following policies

The company has policies of business governance and business code of conduct as fundamental policies of operations causing CSR-in-process and it is a mechanism that will make the company trustworthy in international market and achieve goals according to the company’s obligation.

Social Responsibility (for employees)

The company administrates the organization under corporate governance so it has a policy of business governance and policy of Business Code of Conduct that determine the guideline of operation clearly including reasonable and fair welfare and returns arrangement for employees, promoting competency development of employees including paying respect to human rights by not threatening and pushing pressure on employees.

The company arranges welfare not only for employees but also their children who have good grade, they will be granted scholarship that is the way to support education for youth and it is welfare that helps company employees as well.



Promoting competency development for employees, the company has a policy of training with objectives that employee's performance meets the needs of organization in terms of skills and knowledge of employees and they will utilize such knowledge to promote and develop employees' practices for utmost benefit for the organization.

In addition, the company realizes safety in life of employees, it has a policy of quality, safety, bio-sanitation and environment determining safety in workplace and highest safety during work and a policy that controls hours of work and rest to prevent employee's exhaustion and prevent accident from work. It also has a policy of threatening and intimidating in workplace so as to build up environment and all employees pay respect with each other that is the principle of human rights.

Social responsibility (for customers)

The company has an obligation to satisfy and maintain good relation and also add value for customers. This is why the company determines a policy controlling product loss and delivery to control and maintain the quality and quantity of products in every time of delivery as well as good service and honesty for operation is essential. Therefore, the company issues regulations controlling product delivery on board and by trust additionally to assigns inspectors controlling and



supervising oil delivery since the first storage until the place where oil is delivered along with checking oil quantity so that customers will receive complete oil with quality following the standard customers needs that is responsibility for customer according to operational principles of social responsibility.

Social responsibility (For society and environment)

The company runs business of distributing fuel and business of food, material provision and other services to most marine customers. So, the company has to take responsibility for society and environment in line with policy of business supervision to preserve and maintain maritime resources and environments to sustainable exist in society by holding taking actions according to policy of regulations in business operation. Executives must not take any actions that cause damages to natural resources and environment including support arranging creative activities for society and create awareness for every-level employee to be in charge of society.



Besides, the company has a policy of executive's practice guideline for overall society determining the executive to follow the law and regulations related to business of fuel distribution and business of overland and maritime service and do not take any actions that support or promote practicing illegally or having intent to avoid the law that is responsibility for society and environment. It is considered essential that the company must hold practicing and operating continually.

CSR-After-Process

Sea Oil PCL is one of affiliates of Nathalin Group, so, the company participates activities together with Nathalin Group to hold social activities by emphasizing on beneficial returns for society, creating educational base for national personnel in the future and preserving maritime resources including other resources to sustainably exist in society. The company plays a great role toward society clearly to support and subsidize scholarship for students in schools and also grant scholarship for employee's children with good grade. This is practice guideline of executives for overall society and it is the way to returns profits for society and builds up and strengthens the nations's future.

Besides, the company also set the working team for social activity to arrange such activities and publicize, propagate and campaign activities for both internal personnel and other people and mutually do activities that is the way to promote and create public mind toward society.

Working team of social activity of Sea Oil PCL is appointed with duty and responsibility to arrange activities to return benefits for society according to company's policy emphasizing on education strengthening for youth and assisting schools in rural areas, environmental care activity and activities that are related to company's business and operate in line with supervisory policy, policy of business Code of Conduct to achieve the company's vision.

Social Activity and Projects of Sea Oil PCL

- Project “Blood Donation for Long Life with Blood of Kind-Hearted people” year 2556 by Sea Oil PCL cooperating with Nathalin Group. This activity is arranged 3 times in 2556. Every executive and employee participated in such project in every time.



- Project of renovating school library at Baan Subtabak School, Yangsuan Wicianburi, and Petchabun by Sea Oil PCL cooperating with Nathalin Group.



Guideline about corruption-involved Prevention

At company board meeting, there's a resolution of joining activity for anti-corruption and everyone agreed with such anti-corruption which is in accordance with “ Policy of Business Code of Conduct” approved by company board meeting 6/2555 on 1 November 2555 by determining morality and ethics of committee, executives and employees that are involved in anti-corruption operation.

For guideline of committee and executives, it determines the committee to do duty with honesty, transparency and fairness toward all relevant parties including be aware of benefit of company and shareholders and supervise the company to treat employees, shareholders and relevant people equally, transparently and fairly and do not take any actions that may cause damages to the company.

For guideline of executive toward employees, the executive gives a chance to employees to be able to inform illegal action of the company by providing channels of special communication or secret channel for personnel in company to inform data or any clues involved in fraud or corruption in the company safely.

The company also takes actions of evaluating risk of business and work procedures that possibly bring about corruptions in many forms and determines penalty in case violating policy and regulations of the company and communicates with executives and all-level employees to know guideline of anti-corruption operation of the company.

Internal control and risk management

Sea Oil Public Company Limited is aware of the importance of internal control system and risk management, which are essential to the Company's efficient and effective operation in terms of human resource management, departmental control, and compliance with law and regulations. Risk management, moreover, is a crucial factor for the prevention of risks impacting the Company's performance and for driving the Company to achieve its goals.

Internal control

In the Audit Committee meeting No. 1/2014 on 24 January 2014, the Audit Committee conducted an annual review and evaluation of corporate internal control sufficiency, which was then presented to the Board of Director, to ensure effectiveness and efficiency of corporate performance and achievement of the Company's goals based on internal audit report and auditor's opinions toward the Company's important work process and system control. Neither significant gaps nor defects were identified.

Consequently, in the Audit Committee meeting No. 1/2014 on 24 January 2014, with the presence of 3 auditors/ independent auditors, the Board of Director assessed the Company's internal control system by asking for information from management. In summary, based on the Company's internal control system assessment of 5 elements, namely 1) organizational internal control 2) risk assessment 3) control over management performance 4) information and communication system, and 5) monitoring system, the Board of Director views that the Company's internal control and audit systems are effective enough and suitable for current business, with continuous improvement.

Internal auditor's information

In the Audit Committee meeting No. 1/2013 on 22 February 2013, the Audit Committee appointed Well Planning Solution Company Limited the Company's main internal auditor effective on 22 February 2013. The Audit Committee took into consideration independence of performance, quality of auditors, professional capabilities, as well as internal audit plan of Well Planning Solution Company Limited. The Audit Committee deemed that Audit Committee was suitable for internal audit appointment.

Risk management

The Company is aware that risk management is an important and essential mechanism; therefore, it has established organizational risk management guidelines. The objective is to enable the Company to be aware of risks and risk factors impacting the Company's performance. The Company has defined clear organizational risk level and identified preventive measures and risk mitigations.

The Board of Director has appointed Risk Management Committee comprising all functional managers presided by the Chairman of Executive Committee as Head of the Committee. Risk Management Committee directly reports performance to the Audit Committee. Quarterly meetings are required to consistently assess and monitor performance-related risks. Risks will be reviewed according to risk management framework annually, enabling management to be aware of potential risks and to come up with risk preventive measures, leading to the efficiency and effectiveness of the Company's performance.

Related Transactions

In 2012 and 2013, the Company Entered into related party transactions with persons with a possible conflict of interest, as described below :

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
1. Nathalin Co., Ltd. ("Nathalin"), engaging in marine petroleum transportation business	<ul style="list-style-type: none"> - Being SEOIL's major shareholder holding 47.22% of issued and paid-up capital - Having three mutual directors: <ol style="list-style-type: none"> 1) Mr. Suraphon Meesathien 2) Mr. Prompong Chaisrisawatsuk 3) Miss Neeracha Panboonhom 	Revenue from sale of goods <ul style="list-style-type: none"> - SEOIL sold fuel and lubricant products to Nathalin, with prices determined by the cost plus pricing method. 	33.51	16.31	<ul style="list-style-type: none"> - The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions.
		Trade account receivable <ul style="list-style-type: none"> - Sale of fuel and lubricant products with a credit term of 30 days 	1.48	1.53	

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
1. Nathalin Co., Ltd. (Continued)		Rental and service fee - SEA OIL has rented a space of 406.83 sq.m. on Fl 6, Nathalin Building B, for use as its office for a term of three years from June 1, 2011 to June 1, 2014 with a rental and service fee of Baht 142,390.50 per month.	1.83	1.83	<ul style="list-style-type: none"> - The Company paid the rent and service fee to Nathalin at the rate stated in the agreement which is same rate as Nathalin charges other companies in Nathalin Group and third party who rents the premise. This rate is comparable with the rental rate of the surrounding area. We pay the electricity charges as per the electricity bill issued by Electricity Authority. - Audit Committee considered the transaction was reasonable because the rent and rental conditions are in accordance with the agreement and appropriate.
		IT management fee - SEA OIL paid an IT management fee to Nathalin at Baht 21,421.35 per month for a one-year agreement term from Nov 1, 2011 to Oct 31, 2012. If, upon expiry of the agreement, none of the two parties terminates the agreement, it shall be deemed that the agreement is renewed forth with for another two years. The agreement has currently been renewed according to the conditions set forth, subject to the original service fee rate.	0.26	0.26	
					<ul style="list-style-type: none"> - The Company outsources IT functions to Nathalin because the Company uses Ship Manager System as the main operating system and the system was developed by Nathalin Group for marine transportation business. - Audit Committee considered that the transaction was necessary and reasonable.

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
1. Nathalin Co., Ltd. (Continued)		Human resource management fee - SEAOLIL paid a human resource management fee to Nathalin at Baht 22,699.47 per month under an agreement valid from Oct 1, 2011 to Sept 30, 2012. If, upon expiry of the agreement, none of the two parties terminates the agreement, it shall be deemed that the agreement is renewed forthwith for another two years. The agreement has currently been renewed according to the conditions set forth, subject to the original service fee rate.	0.27	0.27	<ul style="list-style-type: none"> Previously, the Company had outsourcing agreement for human resource management service with Nathalin Management Co., Ltd. After the re-organization within Nathalin Group, the Company has had the human resource management service agreement with Nathalin instead. The Company considered that Nathalin is more expert in human resource management and the outsourcing service fee is lower than hiring staffs to look after this function. Audit Committee considered that the transaction was reasonable with appropriate service fee and conditions.
		Other current assets - SEAOLIL paid a rental deposit according to the office rental agreement. Such deposit will be refunded, without interest, within 60 days after completion of the rental term, provided that the rentee must not have any obligations and/or debts outstanding	0.08	0.08	

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
1. Nathalin Co., Ltd. (Continued)		Accrued management fee - Consisting of electricity charge, information management fee, and human resource management fee payable by SEOIL to Nathalin.	0.06	0.05	<ul style="list-style-type: none"> - The accrued management fee was due to the payment timeline in the contract does not fall on the accounting ending period. The payment date stated in the contract is the 10th of every month. - Audit Committee considered that the transaction was reasonable with the conditions stated in the contract.
		Guarantee for short-term credit facilities - Nathalin has provided guarantee for short-term credit facilities used for business operation, comprising overdraft loans, letters of credit, trust receipts, promissory notes and letters of guarantee, from three local financial institutions in a maximum amount of Baht 134.00 million and USD 2.15 million (as at Dec 31, 2013) without charging any guarantee fee.	0.00	0.00	
					<ul style="list-style-type: none"> - Audit Committee considered that the transaction guarantee of loan according to the loan agreement which was financial support from Nathalin as major shareholder without charging the guarantee fee and considered appropriate. However, the Financial Institutions agreed to release the guarantee after the Company registers and enters into the Market for Alternative Investment (MAI) which is currently in process.

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
2. Khunnathee Co., Ltd ("Khunnathee"), engaging in marine petroleum transportation business	<ul style="list-style-type: none"> - Having a mutual major shareholder, i.e. Nathalin, which holds 47.22% of SEAOIL's issued and paid-up capital and 43.78% of Khunnathee's issued and paid-up capital. - SEAOIL holds 3.33% of Khunnathee's issued and paid-up capital. - Having two mutual directors: <ol style="list-style-type: none"> 1) Mr. Suraphon Meesathien 2) Mr. Prompong Chaisawatsuk 	Revenue from sale of goods <ul style="list-style-type: none"> - SEAOIL sold fuel and lubricant products to Khunnathee, with prices determined by the cost plus pricing method. 	45.56	0.00	<ul style="list-style-type: none"> - The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions. - Audit Committee considered that the transaction occurred in 2004 and 2005 which the Company invested in Khunnathee's share. As of December 31, 2012 the book value of Baht 276.98 per share was higher than the Company's cost. However, in the future, if the Company would like to invest in the Stock Exchange of Thailand, the Company must obtain the approval from Board of Directors before investing and must comply with the relevant regulations of the Office of the Securities and Exchange Commission and the Market for Alternative Investment (MAI).
		Long-term investment <ul style="list-style-type: none"> - SEAOIL has invested in 133,335 shares in Khunnathee, representing 3.33% of Khunnathee's issued and paid-up capital. 	17.53	17.53	

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
2. Khunnathree Co., Ltd (Continued)		Dividend income - SEA OIL received dividend from investment in Khunnathree.	0.67	0.67	- Audit Committee considered that the transaction was reasonable and was beneficial from investment.
3. N.T.L. Marine Co., Ltd., engaging in marine petroleum transportation business	- Having a mutual major shareholder, i.e. Nathalin, which holds 47.22% of SEA OIL's issued and paid-up capital and 99.99% of N.T.L. Marine Co., Ltd.'s issued and paid-up capital.	Revenue from sale of goods - SEA OIL sold fuel and lubricant products to N.T.L. Marine Co., Ltd., with prices determined by the cost plus pricing method. Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days Transportation service fee - SEA OIL hired N.T.L. Marine Co., Ltd. to transport petroleum for overseas distribution.	142.13 30.49 12.11	213.66 40.76 14.61	- The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions. - The Company paid transportation service fee at similar rate as market rate.

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
3. N.T.L. Marine Co., Ltd., (Continued)		Trade account payable - Employment of NTL to provide marine petroleum transportation service for overseas distribution.	2.58	1.58	- Audit Committee considered that the transaction was reasonable and transportation cost was at market rate with general trading conditions.
4. Tavorn Marine Co., Ltd., engaging in marine petroleum transportation business	- Having a mutual major shareholder, i.e. Nathalin, which holds 47.22% of SEAOIL's issued and paid-up capital and 99.99% of Tavorn Marine Co., Ltd.'s issued and paid-up capital.	Revenue from sale of goods - SEAOIL sold fuel and lubricant products to Tavorn Marine Co., Ltd., with prices determined by the cost plus pricing method. Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days	19.38	20.24	- The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers.
			2.00	1.63	- Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions.

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
5. United Tanker Co., Ltd., engaging in marine petroleum transportation business	<ul style="list-style-type: none"> - Having a mutual major shareholder, i.e. Nathalin, which holds 47.22% of SEAOL's issued and paid-up capital and 99.99% of United Tanker Co., Ltd.'s issued and paid-up capital. 	Revenue from sale of goods <ul style="list-style-type: none"> - SEAOL sold fuel and lubricant products to United Tanker Co., Ltd., with prices determined by the cost plus pricing method. 	1.40	0.00	<ul style="list-style-type: none"> - The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers.
6. Thai Marine Tanker Co., Ltd., engaging in marine petroleum transportation business	<ul style="list-style-type: none"> - Having a mutual major shareholder, i.e. Nathalin, which holds 47.22% of SEAOL's issued and paid-up capital and 65.38% of Thai Marine Tanker Co., Ltd.'s issued and paid-up capital. 	Revenue from sale of goods <ul style="list-style-type: none"> - SEAOL sold fuel and lubricant products to Thai Marine Tanker Co., Ltd., with prices determined by the cost plus pricing method. 20.72 Trade account receivable <ul style="list-style-type: none"> - Sale of fuel and lubricant products with a credit term of 30 days 0.30	20.72	23.69	<ul style="list-style-type: none"> - The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers.
				0.00	<ul style="list-style-type: none"> - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions.

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
7. Nathalin Offshore Co., Ltd., providing petroleum and other products management services for petroleum drilling and exploration business and other businesses	<ul style="list-style-type: none"> - Having a mutual shareholder, i.e. Nathalin, which holds 47.22% of SEOIL's issued and paid-up capital and 70.00% of Nathalin Offshore Co., Ltd.'s issued and paid-up capital. - Having 3 mutual directors: <ol style="list-style-type: none"> 1) Mr. Prompong Chaisawatsuk 2) Mr. Suraphon Meesathien 3) Miss Neeracha panboonhom (Director 1), 3) Resigned on December 26, 2013) 	Revenue from sale of goods <ul style="list-style-type: none"> - SEOIL sold fuel and lubricant products to Nathalin Offshore Co., Ltd., with prices determined by the cost plus pricing method. 	56.09	0.21	<ul style="list-style-type: none"> - The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions. - Catering and Service business is in accordance with the agreed price and conditions. - Audit Committee considered that the transaction was reasonable. The service fee per person per day was as agreed in the agreement. After deducting the cost of service, the Company still gained profit from this business at reasonable rate.
		Revenue from rendering of services <ul style="list-style-type: none"> - SEOIL rendered catering and service to rig crew aboard accommodation barge, with service fee charged per person per day at a mutually agreed rate 	83.58	96.20	

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
7. Nathalin Offshore Co., Ltd., (Continued)		Trade accounts receivable - Sale of fuel and lubricant products with a credit term of 30 days - Rendering of catering and service with a credit term of 60 days from invoice date	22.69	34.71	- Audit Committee considered that the transaction was reasonable with service fee and conditions as agreed in the agreement
8. Nathalin Offshore Pte. Ltd., engaging in ship management and procurement business	- Having a mutual indirect shareholder, i.e. Nathalin, which holds 47.22% of SEA OIL's issued and paid-up capital and 70.00% of Nathalin Offshore Co., Ltd.'s issued and paid-up capital, while Nathalin Offshore Co., Ltd. holds 70.00% of Nathalin Offshore Pte. Ltd.'s issued and paid-up capital, leading Nathalin to indirectly own shares in Nathalin Offshore Pte. Ltd. - Having a mutual director, Mr. Prompong Chaisawatsuk.	Revenue from sale of goods - SEA OIL sold fuel and lubricant products to Nathalin Offshore Pte. Ltd., with prices determined by the cost plus pricing method.	5.69	0.00	- The sale transactions were in accordance with with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions.

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
9. Nathalin Management Co., Ltd., engaging in ship management business	<ul style="list-style-type: none"> - Having a mutual shareholder, i.e. Nathalin, which holds 47.22% of SEAOIL's issued and paid-up capital and 99.99% of Nathalin Management Co., Ltd.'s issued and paid-up capital. - Having a mutual director, Miss Neeracha Panboonhom 	Revenue from sale of goods <ul style="list-style-type: none"> - SEAOIL sold fuel and lubricant products to Nathalin Management Co., Ltd., with prices determined by the cost plus pricing method. 	0.42	0.19	<ul style="list-style-type: none"> - The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions. - The Company rented warehouse space of title deed No. 22197, Land No. 641 Tambol Bangchalong, Amphoe Bangplee, Samut Prakarn from Nathalin Management Co., Ltd., for keeping documents and asset. - Audit Committee considered that the transaction was necessary because the Company required moderate space for keeping document and asset. Other lessors offered minimum area for rent which was larger than Company's requirement. However, Audit Committee made a remark that the rental area should be closed area to ensure safety and confidentiality of Company's documents. Therefore, the Company was requested to examine and negotiate with the lessor to develop the area as recommended by the Audit Committee.
		Trade account receivable	0.27	0.00	
		<ul style="list-style-type: none"> - Sale of fuel and lubricant products with a credit term of 30 days 			
		Rental fee <ul style="list-style-type: none"> - SEAOIL paid a warehouse rental fee to Nathalin Management Co., Ltd. for a rented space of 3.75 square meters at Baht 750 per month, with agreement valid from December 1, 2012 to November 30, 2015. - As of June 1, 2013 the company increases the rental area in the warehouse from 3.75 square meters to 16.70 square meters with the total monthly rent of 3,340 baht per square meters 	0.00	0.02	

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
10. Varich Fitness Co., Ltd.	<ul style="list-style-type: none"> - Having a mutual shareholder, i.e. Nathalin, which holds 47.22% of SEOIL's issued and paid-up capital and 99.97% of Varich Fitness Co., Ltd.'s issued and paid-up capital. 	<p>Fitness membership fee</p> <ul style="list-style-type: none"> - SEOIL paid a fitness membership fee to Varich Fitness Co., Ltd. at Baht 19,530 per month (for a total of 18 SEOIL staffs at Baht 1,085 per person per month), with agreement valid from October 1, 2012 to December 31, 2012 and January 1, 2013 to June 30, 2013 and July 1, 2013 to December 31, 2013. - For agreement period July 1 - December 31, 2013 SEOIL paid additional fitness membership fee to Varich Fitness Co., Ltd. for 2 new staff at baht 1,085 per month, the total new monthly fee of Baht 21,700 was paid for period July 1 - December 31, 2013 	0.06	0.12	<ul style="list-style-type: none"> - The Company's policy supports exercise for staff's wellness. The Company signed a contract for fitness center service which considered as staff benefit. The Company compared the service fee charged by Varich Fitness with other fitness centers nearby and found same rate but Varich Fitness is more convenient. - Audit Committee considered that the transaction was beneficial to Company's staff and the service fee was similar to other fitness centers nearby.

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
11. Seachem Transport Co., Ltd.	<ul style="list-style-type: none"> - Having a mutual shareholder, i.e. Nathalin, which holds 47.22% of SEAOIL's issued and paid-up capital and 99.99% of Seachem Transport Co., Ltd.'s issued and paid-up capital. 	Revenue from sale of goods	0.92	6.32	<ul style="list-style-type: none"> - The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions.
		<ul style="list-style-type: none"> - SEAOIL sold fuel and lubricant products to Seachem Transport Co., Ltd., with prices determined by the cost plus pricing method. - Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days. 	0.01	0.16	

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
12. Golden Ship Supply Co., Ltd.	<ul style="list-style-type: none"> - Having a mutual shareholder and director, i.e. Mr. Suraphon Meesathien who is SEAOL's authorized director and also is Golden Ship Supply Co., Ltd.'s authorized director and shareholder holding 10.0% of issued and paid-up capital. 	Inspector & auditor fee	0.55	0.40	<ul style="list-style-type: none"> - This is the only company in Thailand that provides full loop of oil inspector and auditor service from loading port to destination with lump sum service fee while other service provider charges by hours of working time with overtime basis. If the Company chooses other service provider, the cost will be much higher.
		Trade account payable	0.06	0.15	
13. BorThorDor Co., Ltd.	<ul style="list-style-type: none"> - Having a mutual shareholder, i.e. Nathalin, which holds 47.22% of SEAOL's issued and paid-up capital and directly and indirectly holds an aggregate of 18.24% of BorThorDor Co., Ltd.'s issued and paid-up capital; and having Mr. Suraphon Meesathien, who is SEAOL's authorized director, serve on the nine-member board of directors of BorThorDor Co., Ltd. 	Revenue from sale of goods	6.14	6.95	<ul style="list-style-type: none"> - The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions.
		Trade account receivable	0.03	1.22	

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
14. N.A.T. Mart Co., Ltd.	- Having a mutual shareholder, i.e. Nathalin, which holds 47.22% of SEOIL's issued and paid-up capital and 99.98% of N.A.T. Mart Co., Ltd.'s issued and paid-up capital.	Lunch service for employees - Lunch service for SEOIL's staffs at Baht 30 per person per day	0.00	0.15	- The Company paid for employees' lunch as employee benefit at normal market rate. - Audit Committee considered that the transaction was reasonable with appropriate price because there is no restaurant located in the Company's office surrounding area. With this employee benefit, staffs do not have to go out for lunch.
15. Top Nautical Star Co.,Ltd. engaging in marine petroleum transportation business	- Having a mutual shareholder, i.e. Nathalin, which holds 47.22% of SEOIL's issued and paid-up capital and 34.99% of Top Nautical Star Co.,Ltd.'s issued and paid-up capital. - Having a mutual director, Mr. Prompong Chaisawasatsuk.	Revenue from sale of goods - SEOIL sold fuel and lubricant products to Top Nautical Star Co.,Ltd.,with prices determined by the cost plus pricing method. Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days	0.00	13.98 9.03	- The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions.

Related Transactions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million)		Necessity and Appropriateness of Related Transactions
			Ended December 31, 2012	Ended December 31, 2013	
16. Kanchana Marine Co.,Ltd. engaging in ship management business and marine petroleum transportation business	- Having a mutual shareholder, i.e. Nathalin, which holds 47.22% of SEA OIL's issued and paid-up capital and 99.99% of Kanchana Marine Co.,Ltd.'s issued and paid-up capital.	Revenue from sale of goods - SEA OIL sold fuel and lubricant products to Kanchana Marine Co.,Ltd.,with prices determined by the cost plus pricing method. Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days	0.00	6.70	- The sale transactions were in accordance with normal business practices of the Company with the same selling price and trading conditions as other customers. - Audit Committee considered that the transactions were reasonable because they were normal transactions and the price and trading condition were in accordance with general trading conditions.

Noted that Nathalin signed a non-competition agreement with the Company in order not to operate any competing businesses to assure that Nathalin, its connected persons according to the SEC's regulations. Nathalin, including its controlling entities, agreed not to operate the same and/or competing businesses with current businesses of the Company: fuel and lubricant business, supply management including the Company's future businesses. Nathalin will also inform its connected persons regarding the agreement which imposed penalties to Nathalin in the case of any breach of the agreement.

Policy on related transactions

For the related transactions in the future, the Company will conduct in a clear and fair way, without causing any benefit transfer and the Company will comply with the Securities and Stock Exchange Laws and regulation, announcement, obligation of Security Exchange Thailand and Capital Market Committee, including conform with the confidentiality regulations about related transactions and/or property acquisition or sale that are important to the Company or subsidiary company or associated company according to the accounting standard by The Institute of Certified Accountants and Auditors of Thailand

Measurement or approval process of related transactions

The Board of Directors meeting resolved to set the measurement or approval process of related transactions between the Company and individuals which may lead to disputes and the relevant parties and the Company will comply with Securities and Stock Exchange Laws and regulation, announcement, obligation of Security Exchange Thailand and Capital Market Committee. However, the management and the interested person will not be able to participate in the approval.

If the law stipulated that Board of Directors' approval must be obtained, the Company will arrange audit committee to attend the meeting to examine and give opinion about the necessity and the reasonableness of the transaction. The principle for the transactions that are trading agreement with general trading conditions and the transaction that are trading agreement with special trading conditions and other related transactions are as set out below:-

Transactions that are normal business and supporting business of the main business with general trading conditions

For the transaction that are normal business and supporting business of the main business with general trading conditions, such as gasoline and lubricating oil trading, catering business, raw materials providing business and other services for the residence at the sea, sea vessel, and oil drilling platforms located in the sea (Supply Management) and the supporting transaction of normal business such as oil transportation and service providing to the customer in general, etc. that are done between the Company and director, management, major company, or relevant person and officially approved by the Board of Directors, the Executive Board or Management Division is able to approve such transaction If the transaction has a trading agreement in the same way as what a reasonable man would conduct with the contract party in general under the same situation with the bargaining power that is freed from the influence of being a director, management, major company or relevant persons. The Company will prepare a summary of transaction for presenting in Board of Directors on quarterly basis.

Transactions business without general trading conditions with and other related transactions

Transactions business without general trading conditions with and other related transactions that worth 1 million baht and above such as the rent/rent out of main property for operation, significance acquisition or sale of fixed asset, giving or receiving financial support, etc. must be examined and considered by Audit Committee before submitting to Board of Directors

and/or Shareholders' meeting for further consideration and approval. The Company shall comply with Securities and Stock Exchange Laws and regulation, announcement, obligation of Security Exchange Thailand and Capital Market Committee, including the conformity to the confidentiality regulations about the related transactions and/or the acquisition or sale of important property of the Company.

If the Audit Committee is not expert in consideration of the related transactions that may occur, the Company will appoint independent expert or Company's auditor to consider about the related transactions in order to support Audit Committee's decision and/or Board of Directors and/or Shareholders as the case may be to make sure that the transaction is necessary and reasonable by considering on Company's benefit. The Company will present the related transactions in Annual Registration Statement (Report Form 56-1), Annual Report, and Notes to the financial statement that is audited by Company's auditor.



Financial Information

Table: Financial Statement in Conclusion.

	Statement of Financial Position as at					
	31 December 2011 (Restated)*		31 December 2012 (Restated)*		31 December 2013	
(Unit : Million Baht)	Amount	%	Amount	%	Amount	%
ASSETS						
<u>CURRENT ASSETS</u>						
Cash and cash equivalents	32.51	8.29	85.95	21.30	101.62	19.55
Current investments	0.04	0.01	0.04	0.01	-	-
Trade and other receivables						
- Related Parties	68.14	17.39	57.36	14.21	92.95	17.88
- Other Companies	260.21	66.39	223.48	55.37	280.22	53.91
Goods in transit	-	-	-	-	1.38	0.27
Advance payment for purchasing of Goods & Service	1.08	0.28	9.80	2.43	14.83	2.85
Other current assets	0.38	0.10	0.73	0.18	1.32	0.25
Total current assets	362.36	92.46	377.36	93.50	492.32	94.71
<u>NON-CURRENT ASSETS</u>						
Investments in related company	17.53	4.47	17.53	4.34	17.53	3.37
Equipment	5.32	1.36	4.19	1.04	3.39	0.65
Intangible asset	1.87	0.48	2.05	0.51	1.87	0.36
Deferred tax assets	4.84	1.23	2.47	0.61	4.70	0.90
Total Non-current assets	29.56	7.54	26.25	6.50	27.49	5.29
TOTAL ASSETS	391.92	100.00	403.61	100.00	519.81	100.00
LIABILITIES AND SHAREHOLDERS' EQUITY						
<u>CURRENT LIABILITIES</u>						
Short-term loans from financial institution	188.22	48.03	94.54	23.42	-	-
Trade and other payables						
- Related Parties	1.29	0.33	2.69	0.67	1.78	0.34
- Other Companies	26.19	6.68	74.42	18.44	37.49	7.21
Accred corporate income tax	11.45	2.92	5.70	1.41	6.70	1.29
Other current liabilities	0.20	0.05	0.58	0.14	1.65	0.32
Total current liabilities	227.35	58.01	177.93	44.08	47.62	9.16

Statement of Financial Position as at						
	31 December 2011 (Restated)*		31 December 2012 (Restated)*		31 December 2013	
(Unit : Million Baht)	Amount	%	Amount	%	Amount	%
NON-CURRENT LIABILITIES						
Employee benefit obligations	0.36	0.09	0.45	0.11	0.55	0.11
Total Non-current liabilities	0.36	0.09	0.45	0.11	0.55	0.11
TOTAL LIABILITIES	227.71	58.10	178.38	44.20	48.17	9.27
SHAREHOLDERS' EQUITY						
Issued and fully paid-up share capital	110.00	28.07	110.00	27.25	180.00	34.63
Premium on share capital	-	-	-	-	161.87	31.14
Retained earning						
Appropriated for legal reserve	6.29	1.60	9.49	2.35	13.59	2.61
Unappropriated	47.92	12.23	105.74	26.20	116.18	22.35
TOTAL SHAREHOLDERS' EQUITY	164.21	41.90	225.23	55.80	471.64	90.73
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	391.92	100.00	403.61	100.00	519.81	100.00

* Statement of Financial Position restated for compare with Statement of Financial Position as at December 2013 that changed the Accounting Standard started on January 1, 2013.

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Statement of Comprehensive Income						
	2011		2012		2013	
(Unit : Million Baht)	Amount	%	Amount	%	Amount	%
Sales and service revenues	2,533.24	99.91	2,689.65	99.61	2,716.35	99.80
Cost of sales and services *	(2,403.25)	(94.79)	(2,544.97)	(94.25)	(2,513.60)	(92.35)
Gross Profit	129.99	5.13	144.68	5.36	202.75	7.45
Gain from foreign exchange rate	0.66	0.03	4.21	0.16	3.12	0.11
Dividend income	0.67	0.03	-	-	-	-
Other income	0.89	0.03	6.99	0.26	2.25	0.08
Profit before expenses	132.20	5.21	155.88	5.77	208.12	7.65
Selling expenses	(27.87)	(1.10)	(33.87)	(1.25)	(49.55)	(1.82)
Administrative expenses	(20.81)	(0.82)	(23.02)	(0.85)	(40.46)	(1.49)
Management benefit expenses	(6.05)	(0.24)	(10.11)	(0.37)	(11.79)	(0.43)
Total expenses	(54.72)	(2.16)	(67.00)	(2.48)	(101.80)	(3.74)
Profit before Finance costs and Income	77.48	3.06	88.88	3.29	106.32	3.91
Finance costs	(11.82)	(0.47)	(8.95)	(0.33)	(7.38)	(0.27)
Profit before income tax	65.66	2.59	79.93	2.96	98.94	3.64
Income tax expenses	(20.02)	(0.79)	(18.91)	(0.70)	(18.40)	(0.68)
Profit for the year	45.64	1.80	61.02	2.26	80.54	2.96
Other comprehensive income for the years	-	-	-	-	-	-

Statement of Comprehensive Income						
(Unit : Million Baht)	2011		2012		2013	
	Amount	%	Amount	%	Amount	%
Total comprehensive income for the years	45.64	1.80	61.02	2.26	80.54	2.96

* Cost of sales and services exclude Transport expenses, Commission and Consult expenses that there are added in selling expenses

Statement of Cash Flow			
(Unit : Million Baht)	2011	2012	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by (used in) operating activities	(122.36)	147.76	(55.90)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash provided by (used in) investing activities	5.80	0.20	0.23
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities	141.65	(94.52)	71.34
NET INCREASE IN CASH AND CASH EQUIVALENTS	25.09	53.44	15.67
Cash and cash equivalents - Beginning of the year	7.42	32.51	85.95
Cash and cash equivalents - End of the year	32.51	85.95	101.62

Table: Importance Financial Ratio

		2011	2012	2013
Liquidity Ratio				
Current Ratio	(times)	1.59	2.12	10.34
Quick Ratio	(times)	1.59	2.11	10.33
Profitability Ratio				
Gross Profit Margin	%	4.14	4.26	7.46
Net Profit Margin	%	1.80	2.27	2.96
Return on Equity	%	35.28	31.34	32.02
Efficiency Ratio				
Return on Asset	%	14.37	15.34	17.44
Financial Policy Ratio				
Debt/Equity Ratio	(times)	1.39	0.79	0.10
Dividend Payout	%	111.54	0.00	123.36**

Remark : ** Calculated from Dividend payout 66 Million Baht by AGM 2013 Resolution and then The Dividend Payment 33.348 million baht by cash and ordinary shares that be under consideration in AGM 2014.

Management Discussion and Analysis

In 2013, the overall economy of Thailand experienced a recession when compared to that of the previous year, in line with the world's major economies. The overall industry in Thailand saw a slowdown in both domestic demand and export sector recovery which turned out to be lower than expected, while the world's oil price situation showed a slight upward trend. Thailand's petrochemical industry in 2013 witnessed a slight growth when compared to that in 2012.

The Company's core business is supplies marine fuels and lubricants. Its target customers are tankers, supply & service boats, crew boats, and other types of vessels such as warships, fishing boats, and freighters. For land sale, the Company has major customers, namely factories, land transport fleets, and buses. Proportion of sale to the Company's groups of customers can be categorized as follow:

(Unit: Million Liters)	2011		2012		2013	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Marine sales	75.96	92.37%	71.44	92.37%	74.21	94.60%
Tankers	30.42	36.99%	30.66	39.64%	24.64	31.41%
Service boats	27.38	33.29%	25.35	32.77%	35.02	44.64%
Other vessels	18.17	22.09%	15.44	19.96%	14.55	18.55%
Land sales	6.28	7.63%	5.90	7.63%	4.24	5.40%
Total	82.24	100.00%	77.34	100.00%	78.45	100.00%

From the proportion of sale to the Company's major groups of customers, oil tankers and supply & service boats accounts for more than 70% of the whole sale volume. Thus, the Company's sale of fuels has a significant association with sea oil and gas drilling and the amount of fuel production and consumption.

- Production and sale in fuel industry**

From 2012 to 2013, Thailand's fuel production and sale can be summarized as follow:

(Unit: Million Liters)	2012				2013			
	Production		Sale		Production		Sale	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Diesel oil	25,125	54.21	20,565	57.54	25,518	52.48	20,892	56.75
Benzene oil	9,150	19.74	7,705	21.56	9,832	20.21	8,195	22.26
Aviation oil	5,858	12.64	5,091	14.25	6,680	13.74	5,562	15.11
Fuel oil	6,138	13.24	2,363	6.61	5,911	12.16	2,155	5.85
Kerosene	76	0.16	13	0.04	687	1.41	11	0.03
Fuels in total	46,346	100.00	35,738	100.00	48,629	100.00	36,815	100.00

(Source: Department of Energy Business, Ministry of Energy)

Based on Department of Energy Business's data, when comparing Thailand's oil production and sale in 2012 and 2013, oil production rose 4.92% in total. The production of all types of oil increased except fuel oil. All type of oil sale rose by 3.01% except fuel oil and kerosene.

- **Offshore Oil and Gas drilling industry**

In Thailand's offshore oil and gas drilling industry, there are 63 oil and gas drilling concessions. There are 331 drilling rigs in total and 16 petroleum production and storage ships (Source: Department of Energy Business, Ministry of Energy). From 2010 – November 2013, petroleum production (natural gas, liquefied natural gas or condensate, and crude oil) is equivalent to 637,976, 797,154, and 814,638 barrels of crude oil on average per days respectively. The quantity of petroleum production in 2013 was 2.19% more than that in 2012 (Source: Energy Policy and Planning Office, Ministry of Energy). Based on the information, the Company is certain that oil demand of oil tankers, service boats, and other types of vessels has an upward trend in accordance with the increase in drilling area of oil and gas in the sea, which will enhance the Company's prospect to sell fuels and lubricants, and provide the said customer groups with supply management services.

Overview 2013 performance

In 2013, the Company's net profit was THB 80.54 million, an increase of THB 19.51 million from 2012 or 31.98% so the Company has return on equity 32.02% in 2013. The increase mainly resulted from offshore sales among profitable customers, supply management expansion, and efficient management in cost of sales& service also financial cost.

The Company's Total revenue in 2013 was THB 2,721.72 million, an increase of THB 20.87 million from 2012 or 0.77%. The company had total sales and service revenues of THB 2,716.35 million, an increase of THB 26.70 million or 0.99% over the same period of last year. The revenue from product and service sales consists of the revenues from fuels, lubricants, and supply management. The Company's revenue structure can be summarized as follow:

(Unit : Million Baht)	2011		2012		2013	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Revenue from fuel and lubricant sales	2,500.32	98.61	2,605.81	96.48	2,600.67	95.55
- Marine	2,332.17	91.98	2,457.49	90.99	2,485.93	91.34
- Inland	168.15	6.63	148.32	5.49	114.74	4.22
Revenue from services ^{1/}	32.92	1.30	83.84	3.10	115.68	4.25
Other sources of revenue ^{2/}	2.22	0.09	11.20	0.41	5.37	0.20
Total	2,535.45	100.00	2,700.85	100.00	2,721.72	100.00

^{1/} Revenue from services consist of catering and service, and general supply.

^{2/} Other sources of revenue are profits from foreign currency exchange rate, dividend, fine from debtor's late payment, and others.

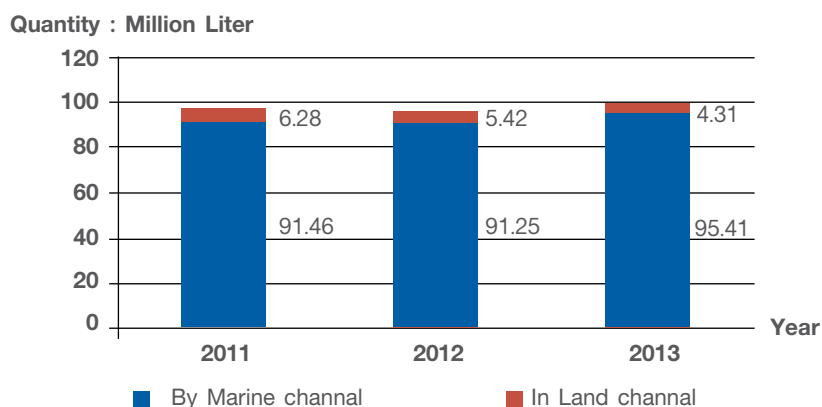
The Company's main revenue lies of marine and land fuel and lubricant sales, which accounted for 95.55% of the Company's total revenue in 2013 and 96.48% of total revenue in 2012. In addition, the Company's revenue is derived from catering, raw material, and other kinds of services provided for its employees in oil and gas drilling locations (supply management), which was commenced in 2011 and accounted for 4.25% of the Company's total revenue in 2013 and 3.10% in 2012..

• Revenue from fuel and lubricant sales

The Company's main revenue comes from oil sale. In 2013, the Company's oil and lubricant sale was THB 2,600.67 million, decreased of THB 5.14 million from 2012 or 0.20%. The decline was due to a decrease in fuel and lubricant sales to land customers as a result of the Company's of sale and credit policy to prevent future bad debt. However, in 2013, the Company's marine oil and lubricant sale was THB 2,485.93 million, an increase of THB 28.44 million from 2012 or 1.16%. The increase mainly resulted from supply and service boats.

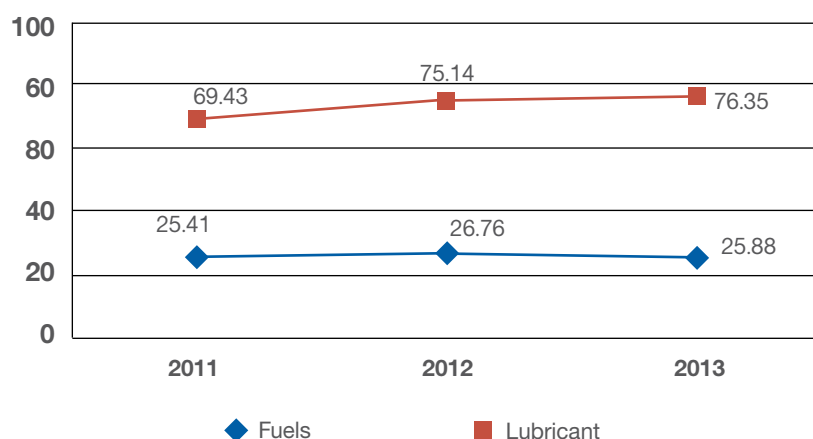
The Company's fuel sale volume in 2013 was 99.36 million liters, an increase of 3.21% from 2012. The volume of marine fuel sale in 2013, which was THB 95.41 million, an increase of 4.56% from 2012. Land oil sales in 2013 were THB 4.31 million, decreased of 20.48% from 2012.

Sale Quantity



Selling price of fuels and lubricants was also another factor of the Company's growth. In other words, from 2011-2013, the Company's average selling price of fuels was THB 25.41, THB 26.76, and THB 25.88 per liter respectively. Average price of lubricants was THB 69.43 per liter in 2011, THB 75.14 per liter in 2012 and THB 76.35 per liter in 2013, as shown in the graph:

Average Selling Price of Fuels and Lubricant



- Revenue from Supply Management**

Catering, raw material, and other services provision for liners and staff stationed at oil and gas drilling sites can be categorized into 2 types: 1) Revenues from catering and housekeeping services for staff stationed at oil and gas drilling sites in the Gulf of Thailand, on accommodation barge, and at oil drilling sites on land, and 2) revenue from provision of raw materials for general supply

In 2013, the Company's revenues from supply management was THB 115.68 million, accounting for 4.25% of its revenue, an increase of THB 31.84 million or 37.98% over the same period of last year. The increase resulted from the Company's additional 2 catering and housekeeping projects in 2013, totally 3 projects, consisting of 2 catering and housekeeping service projects for staff at platforms and the other for land drilling project. The two new projects commenced in the third quarter of 2013, making the Company's catering and housekeeping to grow accordingly.

- **Other revenues**

Other revenues are profits from foreign currency exchange rate, dividend, and fine from debtor's late payment. In 2013, the Company's other revenues was THB 5.37 million, a decrease of THB 5.83 million from 2012 or 52.05%. The decline resulted from the reduction in late payment penalty due to better efficiency in debt collection and the reduction in profits from foreign currency exchange rate caused by Thai baht appreciation in service business.

Cost of sales and services & gross profit

The Company's cost of sales and services consists of cost of fuel and lubricant sales, and cost of supply management services. In 2013, the Company's cost of sales and services was THB 2,513.60 million, a decrease of THB 31.37 million from 2012 or 1.23%. The reduction of cost of sales and services was a result of the decrease in the cost of fuel and lubricant sales.

In 2013, the Company's cost of fuels and lubricants was THB 2,408.02 million or 92.59% of revenue from all fuel and lubricant sales, a decrease of THB 59.96 million in 2012 or 2.43 %. The reduction was due to the company's fixing selling price by using Cost plus Pricing Method, enabling it to manipulate profits from each sale not to be lower than the defined lowest profits. In addition, the Company received an increased capital from selling its ordinary stock, making it gain more working capital and enabling it to be able to purchase oil in cash and enjoy trade discounts and lower its short-term loan cost. This reduced the Company's cost of oil sales and increased gross profits. The Company also sold more fuels to profitable customers, making its gross profits in 2013 equal to THB 202.76 million, an increase of 58.08 million from 2011 or 40.14 %. Thus, the Company's gross profit in 2013 equal to 7.40% more than that in 2012, of which the gross profit was 4.24%.

Selling expenses and Administrative expenses , Management benefit expenses and Operating profit

Selling expenses consists of sales expenses, transportation cost, commission, and business consultation fee. In 2013, the Company had selling expense of THB 49.55 million, an increase of THB 15.68 million from 2012 or 46.28%. The increase in selling expenses was due to higher export transportation cost caused by foreign market expansion.

Administrative expenses and Management benefit expenses in 2013 were THB 52.25 million, an increase of THB 19.12 million from 2012 or 57.71%. The increase mainly resulted from staff-related cost due to the increasing number of staff to support business expansion, and the increasing consultation fee related to internal control, legal consultation, advertising, public relation, and having the company listed in the stock market.

The Company's Operating profit margin in 2011-2013 were 3.06%, 3.29%, and 3.91% respectively. The profit has been increasing continuously because the Company has had increasing revenue and more efficient cost and expense management, increasing fuel sales among highly profitable customers as well as supply management business expansion.

Financial cost

The Company's financial cost in 2013 was THB 7.38 million, a decrease of THB 1.57 million or 17.54%. The decline resulted from the decrease in overdraft and short-term loan from financial institutions, thanks to efficient debt and financial cost management as well as the Company's increasing working capital from selling its common stock in August 2013, which enabled the Company to pay debt back to the financial institutions. On 31 December 2013, the Company had no overdraft and short-term loan from financial institutions in its bank accounts, causing its financial cost to reduce too.

Corporate income tax

In 2013, the Company's income tax was THB 18.41 million, a decrease of THB 0.50 million or 2.64%, which was inconsistent with the increased net profit. The decline was due to governmental reduction of corporate income tax from 23% to 20% in 2013.

Return on Equity

The Company's return on equity in 2012 and 2013 was 31.34 and 32.02 respectively. The 2013 return on equity increased because the Company had more net profit from its business expansion, sales growth from existing customers, sales among new customers, and supply management business expansion.

For payment of dividend, the Ordinary General Meeting of Shareholders for the year 2013 held on 7 March 2013 approved payment of dividend of THB 66 million. The payment was scheduled on 8 March 2013. The Board of Director Meeting No: 1/2014 on 18 February 2014 also approved to propose to the Ordinary General Meeting of Shareholders for the year 2014 to approve the 2013 dividend payment as common stocks and cash worth no more than THB 33.348 million or the dividend payment rate of 0.1853 Baht per share. The payment is aligned with the Company's dividend payment rate, according to the Company's dividend payment rate policy.

Return on Assets

In 2012 and 2013, the Company's return on assets was 15.34% and 17.44% respectively. The return on assets increased in 2013 due to the Company's better performance.

Financial status

Statement of financial position	2013	2012 (updated)
Total assets	519.82	403.61
Total liabilities	48.17	178.38
Shareholders' equity	471.64	225.23
Authorized share capital	180.00	160.00
Issued and fully paid-up share capital	180.00	110.00

Assets

At the end of 2013, the Company's assets totaled THB 519.81 million, an increase of THB 116.20 million from 2012. The increase in assets resulted from the increase in cash and cash equivalent, and the increase in trade equivalent and prepaid expenses for goods due to the increase in sale revenue.

- **Trade receivables**

At the end of 2013, the Company's trade receivables were THB 373.17 million or 71.79% of its total assets, an increase of THB 94.53 million from 2012. Trade receivables increased in line with the Company's sale revenue. Most trade receivables are not overdue and those overdue were for no more than 3 months. Average debt collection period from 2011 to 2013 was 40.24 days, 42.84 days, and 43.82 days respectively, which was in line with the average 30-60 day credit term. Average debt collection period was longer because the Company had more average trade receivables according to its increased sale volume.

- **Liabilities**

At the end of 2013, the Company's total liabilities were THB 48.17 million, a decrease of THB 130.21 million when compared with that of THB 178.38 million of the same period of last year. The decrease was mainly due to the reduction in overdraft and short-term loans from financial institutions worth THB 94.54 million as well as the decrease in trade receivables of THB 37.84 million when compared with that in 2012. The Company had more working capitals. Based on the Company's performance and the increased capital derived from selling stocks (IPO) in August 2013, the money was used as working capitals and was used to pay short-term liabilities to financial institutions. The Company also had a more efficient debt collection, making it less dependent on short-term loans and giving it more liquidity. On 31 December 2013, the Company had neither overdraft nor short-term loan balance from financial institutions.

- **Shareholders' equity**

The Company's shareholders' equity at the end of 2013 was THB 471.64 million made up of issued and paid-up share capital of THB 180 million, premium on common stocks of THB 161.87 million, legal reserve of THB 13.59 million, unappropriated retained earnings of THB 116.18 million, and the increased shareholders' equity of THB 246.41 million when compared to that of 2012. The shareholders' equity resulted from the Company's increase in issued and paid-up share capital of THB 70.00 million, the increased net profit of THB 80.54 million from 2013 performance, 2013 dividend payment of THB 66 million, and the premium on common stocks of THB 161.87 million derived from selling increased capital stocks in August 2013.

The Company's debt to equity ratio at the end of 2011-2013 was 1.39 times, 0.79 times, and 0.10 times respectively. The Company's Debt to Equity ratio dropped as a result of the decline in current liabilities and the increase in shareholders' equity.

The change of accounting standard issue 12 regarding income tax on 1 January 2013 had an impact on the Company's performance and financial status as follow:

(Unit: Million Baht)	31 December 2011	31 December 2012	31 December 2013
Increased deferred tax assets	4.84	2.47	4.70
unappropriated retained earnings	4.84	2.47	4.70

(Unit: Million Baht)	2012	2013
Increased/decreased income tax deductible	2.37	(2.23)

- Liquidity**

(Unit : Million Baht)	For the year ending on 31 December		
	2011	2012	2013
Net cash provided by (used in) operating activities	(122.36)	147.76	(55.90)
Net cash provided by (used in) investing activities	5.80	0.20	0.23
Net cash provided by (used in) financing activities	141.65	(94.52)	71.34
Net increase (decrease) in cash and cash equivalent	25.09	53.44	15.67
Cash and cash equivalents, beginning balance	7.42	32.51	85.95
Cash and cash equivalents, ending balance	32.51	85.95	101.62

Net cash provided by (used in) operating activities

In 2013, the Company's net cash provided by (used in) operating activities was THB 55.90 million as the Company spent operating profits paying for liabilities of trade receivables for purchase of oil, for income tax and interest, and for increased trade receivables, which was a result of higher net sale volume and services.

Net cash provided by (used in) investing activities

In 2013, the Company's net cash provided by (used in) investing activities was THB 0.23 million, which was derived from dividend and payment for purchase of computer equipment and programs.

Net cash provided by (used in) financing activities

In 2013, the Company's net cash of THB 71.33 million was derived from financing activities. The main reason for this is net cash received after deducting IPO expenses THB 231.87 million from the Company's increase capital by selling common stocks and The Company paid back short-term loan worth THB 94.54 million from financial institutions and paid dividend of THB 66 million.

For these reasons, the Company's cash and cash equivalent as the end of year 2011 -2013 was THB 32.51 million, THB 85.95 million and THB 101.62 million respectively

Liquidity ratio

At the end of 2011-2013, the Company had liquidity ratio of 1.59 times, 2.12 times and 10.34 times respectively. In 2013, the Company had a very high liquidity ratio as it had a lot more current assets, cash and cash equivalent as well as increased trade receivables. The decrease of current liabilities, made the Company have a much better liquidity.

Factors and influences impacting performance or future financial status

Oil price volatility

Since global economy and oil prices are volatile and dependent upon various factors such as the quantity of production and demand for oil, oil price volatility could affect the Company's performance as the Company's main income is derived from oil sales. If oil prices are high, the Company will need to use more circulating funds to run business, which may drive the Company to resort to short-term loans from financial institutions, causing it to have more financial cost obligations. However, the Company has set out a policy to fix selling price by using Cost plus Pricing Method to maintain profit level, which will mitigate the impacts of oil price volatility.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Sea Oil Public Company Limited

I have audited the accompanying financial statements of Sea Oil Public Company Limited, which comprise the statement of financial position as at December 31, 2013 and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sea Oil Public Company Limited as at December 31, 2013 and its financial performance and its cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. My opinion is not qualified in respect of this matter.

Other Matter

The financial statements of Sea Oil Public Company Limited for the year ended December 31, 2012 were audited by another auditor who expressed an unmodified opinion on those statements on February 26, 2013.



(Mr. Boonlert Kaewphanpurk)

Independent Auditor

Registration No. 4165

BPR AUDIT AND ADVISORY CO., LTD.

Bangkok

February 18, 2014

STATEMENT OF FINANCIAL POSITION

SEA OIL PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2013

(Unit : Baht)

		2013	2012	2011
	Notes		"Restated"	"Restated"
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		101,616,356	85,950,526	32,512,107
Current investments		-	40,646	39,653
Trade and other receivables - Other Companies	6	280,219,455	223,483,584	260,207,151
Trade and other receivables - Related Parties	5 , 7	92,951,884	57,356,099	68,137,408
Goods in transit		1,384,800	-	-
Advance payment for purchasing of goods and services		14,825,943	9,797,666	1,079,819
Other current assets		1,322,611	735,415	379,965
Total current assets		492,321,049	377,363,936	362,356,103
NON-CURRENT ASSETS				
Investments in related company	8	17,533,500	17,533,500	17,533,500
Equipment	9	3,392,586	4,192,291	5,314,976
Intangible asset	10	1,869,782	2,052,973	1,873,379
Deferred tax assets	3 , 18	4,698,940	2,469,123	4,841,903
Total non-current assets		27,494,808	26,247,887	29,563,758
TOTAL ASSETS		519,815,857	403,611,823	391,919,861

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

STATEMENT OF FINANCIAL POSITION (Continued)

SEA OIL PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2013

(Unit : Baht)

		2013	2012	2011
	Notes		"Restated"	"Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term loans from financial institutions	11	-	94,537,692	188,218,132
Trade and other payables - Other Companies	12	37,494,712	74,418,891	26,185,524
Trade and other payables - Related Parties	5	1,781,780	2,691,226	1,288,052
Accrued corporate income tax		6,695,900	5,702,022	11,452,973
Other current liabilities		1,648,025	576,047	204,635
Total current liabilities		47,620,417	177,925,878	227,349,316
NON-CURRENT LIABILITY				
Employee benefit obligations	13	554,288	454,153	359,610
Total non-current liabilities		554,288	454,153	359,610
TOTAL LIABILITIES		48,174,705	178,380,031	227,708,926
SHAREHOLDERS' EQUITY				
Share capital - common shares, Baht 1 par value				
Authorized share capital				
180,000,000 common shares, Baht 1 par value in 2013				
160,000,000 common shares, Baht 1 par value in 2012				
110,000,000 common shares, Baht 1 par value in 2011	14	180,000,000	160,000,000	110,000,000
Issued and fully paid-up share capital				
180,000,000 common shares, Baht 1 par value in 2013				
110,000,000 common shares, Baht 1 par value in 2012 and 2011	14	180,000,000	110,000,000	110,000,000
Premium on share capital	14	161,873,151	-	-
Retained earnings				
Appropriated for legal reserve	15	13,590,000	9,490,000	6,290,000
Unappropriated		116,178,001	105,741,792	47,920,935
TOTAL SHAREHOLDERS' EQUITY		471,641,152	225,231,792	164,210,935
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		519,815,857	403,611,823	391,919,861

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

STATEMENT OF COMPREHENSIVE INCOME

SEA OIL PUBLIC COMPANY LIMITED
FOR THE YEAR END DECEMBER 31, 2013

(Unit : Baht)

		2013	2012
	Notes		"Restated"
REVENUES	5		
Sales and service revenues		2,716,354,607	2,689,650,118
Gain from foreign exchange rate		3,119,449	4,213,330
Other income		2,251,238	6,989,223
Total Revenues		2,721,725,294	2,700,852,671
EXPENSES	5		
Cost of sales and services		2,513,599,494	2,544,970,726
Selling expenses		49,553,791	33,874,828
Administrative expenses		40,457,036	23,015,568
Management benefit expenses		11,788,814	10,114,814
Finance costs		7,383,746	8,945,798
Total expenses		2,622,782,881	2,620,921,734
Profit before income tax		98,942,413	79,930,937
Income tax expenses	18	(18,406,204)	(18,910,080)
Profit for the year		80,536,209	61,020,857
Other comprehensive income for the years		-	-
Total comprehensive income for the years		80,536,209	61,020,857
EARNINGS PER SHARE (Baht)	19	0.60	0.55

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEA OIL PUBLIC COMPANY LIMITED
FOR THE YEAR END DECEMBER 31, 2013

(unit : Baht)

	Notes	Issued and fully paid-up share capital	Premium on share capital	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
Balance as at January 1, 2012 as previously reported		110,000,000	-	6,290,000	43,079,032	159,369,032
Cumulative effect of the change in accounting policy	3	-	-	-	4,841,903	4,841,903
Balance as at January 1, 2012 as restated		110,000,000	-	6,290,000	47,920,935	164,210,935
Appropriated for legal reserve	15	-	-	3,200,000	(3,200,000)	-
Total comprehensive income for the year as restated		-	-	-	61,020,857	61,020,857
Balance as at December 31, 2012		110,000,000	-	9,490,000	105,741,792	225,231,792
Balance as at January 1, 2013 as previously reported		110,000,000	-	9,490,000	103,272,669	222,762,669
Cumulative effect of the change in accounting policy	3	-	-	-	2,469,123	2,469,123
Balance as at January 1, 2013 as restated		110,000,000	-	9,490,000	105,741,792	225,231,792
Increase in share capital	14	70,000,000	161,873,151	-	-	231,873,151
Appropriated for legal reserve	15	-	-	4,100,000	(4,100,000)	-
Dividends paid	16	-	-	-	(66,000,000)	(66,000,000)
Total comprehensive income for the year		-	-	-	80,536,209	80,536,209
Balance as at December 31, 2013		180,000,000	161,873,151	13,590,000	116,178,001	471,641,152

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

STATEMENT OF CASH FLOWS

SEA OIL PUBLIC COMPANY LIMITED
FOR THE YEAR END DECEMBER 31, 2013

(Unit : Baht)

	2013	2012
		"Reclassification"
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	98,942,413	79,930,937
Adjustments for		
Depreciation and amortization	1,459,338	1,410,565
Loss (Gain) on sale and written off assets	25	(2,008)
Doubtful accounts - Trade receivable	6,522,038	1,665,126
Doubtful accounts - Advance payment for purchasing of goods and services	7,168,778	-
Dividend income	(666,675)	(666,675)
Unrealized (gain) loss from foreign currency exchange	(1,394,250)	40,295
Employee benefit obligations	100,135	94,543
Interest expenses	6,276,823	7,752,503
Profit from operating activities before change in operational assets and liabilities	118,408,625	90,225,286
Decrease (Increase) in operating assets		
Trade and other receivables - Other companies	(62,724,013)	34,684,933
Trade and other receivables - Related parties	(34,734,296)	10,791,529
Goods in transit	(1,384,800)	-
Advance payment for purchasing of goods and services	(12,197,055)	(8,717,847)
Other current assets	(587,196)	(47,548)
Increase (Decrease) in operating liabilities		
Trade and other payables - Other companies	(36,563,048)	48,886,419
Trade and other payables - Related parties	(909,446)	1,345,655
Other current liabilities	1,071,978	(204,635)
Cash generated (used in) from operations	(29,619,251)	176,963,792
Interest paid	(6,639,089)	(6,918,541)
Income tax paid	(19,642,143)	(22,288,252)
Net cash provided by (used in) operating activities	(55,900,483)	147,756,999

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

STATEMENT OF CASH FLOWS (Continued)

SEA OIL PUBLIC COMPANY LIMITED
FOR THE YEAR END DECEMBER 31, 2013

(Unit : Baht)

	2013	2012
		"Reclassification"
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (Increase) in short-term investments	40,646	(993)
Proceeds from disposals of equipment	-	2,010
Cash paid for purchase of equipment	(468,467)	(40,306)
Cash paid for purchase of intangible asset	(8,000)	(427,170)
Dividend received	666,675	666,675
Net cash provided by investing activities	230,854	200,216
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans from financial institutions	(94,537,692)	(94,518,796)
Proceeds from issue of common shares	241,500,000	-
Cash paid for share subscription	(9,626,849)	-
Dividends paid	(66,000,000)	-
Net cash provide by (used in) financing activities	71,335,459	(94,518,796)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,665,830	53,438,419
Cash and cash equivalents - Beginning of the year	85,950,526	32,512,107
CASH AND CASH EQUIVALENTS - END OF THE YEAR	101,616,356	85,950,526

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

Notes to the financial statements.

SEA OIL PUBLIC COMPANY LIMITED
FOR THE YEAR END DECEMBER 31, 2013

These notes form an integral part of the financial statements.

These financial statements were authorized for issue by the Company's Board of directors on February 18, 2014.

1. GENERAL INFORMATION

Sea Oil Public Company Limited was incorporated and registered as a limited company on May 26, 1997. The principal business operation of the Company is retail sale of fuel oil and lubricant oil. Its major shareholder is Nathalin Company Limited, which owned 47.22% of holding interest. Its registered address is 88, Soi Bangna-Trad 30, Bangna-Trad Road, Bangna, Bangkok, Thailand.

The Company's shares had been approved to be listed in the MAI (Market for Alternative Investment) on September 5, 2013.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") and guidelines promulgated by the Federation of Accounting Professions ("FAP"), applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand Baht unless otherwise stated.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

3. NEW ACCOUNTING STANDARDS, FINANCIAL REPORTING STANDARD AND ACCOUNTING STANDARD INTERPRETATION

The Federation of Accounting Professions issued the accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective as follows:

A) Effective for the period beginning on or after January 1, 2013

Accounting Standards

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard

TFRS 8	Operating Segments
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Accounting Standard Interpretations

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

The Company and its subsidiaries made the change its significant accounting policies, as a result of the adoption of TAS 12 Income Taxes which is effective. The cumulative effect of the change in the accounting policies has the effect to the consolidated financial statements which has been separately presented in the consolidate statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarized below:

In Thousand Baht

	2013	2012	2011
<u>The statements of financial position</u>			
as at December 31,			
Increase in deferred tax assets	4,699	2,469	4,842
Increase in unappropriated retained earnings	4,699	2,469	4,842

In Thousand Baht

	2013	2012
The statements of comprehensive income for the year ended December 31,		
Increase (Decrease) in income tax expense	(2,230)	2,373
Increase (Decrease) in earnings per share (Baht)	0.017	(0.022)

B) New accounting standards issued not yet effective

During the year, the Federation of Accounting Professions has issued notifications, already published in the Royal Gazette, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows:

		Effective date
<u>Accounting standards</u>		
TAS 1 (Revised 2012)	Presentation of Financial Statements	January 1, 2014
TAS 12 (Revise 2012)	Income taxes	January 1, 2014
TAS 17 (Revised 2012)	Leases	January 1, 2014
TAS 18 (Revised 2012)	Revenue	January 1, 2014
TAS 24 (Revised 2012)	Related Party Disclosures	January 1, 2014
TAS 28 (Revised 2012)	Investments in Associates	January 1, 2014
TAS 31 (Revised 2012)	Interests in Joint Ventures	January 1, 2014
TAS 34 (Revised 2012)	Interim Financial Reporting	January 1, 2014
<u>Financial Reporting Standard</u>		
TFRS 2 (Revised 2012)	Share-based Payment	January 1, 2014
TFRS 3 (Revised 2012)	Business Combinations	January 1, 2014
TFRS 4	Insurance Contract	January 1, 2016
TFRS 5	Non-current Assets Held for Sale and Discontinued Operations	January 1, 2014
TFRS 8 (Revised 2012)	Operating Segments	January 1, 2014
<u>Accounting Standard Interpretations</u>		
TSIC 15	Operating Leases - Incentives	January 1, 2014
TSIC 27	Evaluating the Substance of Transactions involving the Legal Form of a Leases	January 1, 2014
TSIC 29	Service Concession Arrangements : Disclosures	January 1, 2014
TSIC 32	Intangible assets - Web Site Costs	January 1, 2014

Financial Reporting Standard Interpretations

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	January 1, 2014
TFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2014
TFRIC 7	Applying the Restatement Approach under IAS 29	January 1, 2014
TFRIC 10	Interim Financial Reporting and Impairment	January 1, 2014
TFRIC 12	Service Concession Arrangements	January 1, 2014
TFRIC 13	Customer Loyalty Programmes	January 1, 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	January 1, 2014
TFRIC 18	Transfers of Assets from Customers	January 1, 2014

The management of the Company has assessed the effect of the above financial reporting standards, accounting standard interpretations and financial reporting standard interpretations and believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Trade receivable

Trade receivable is carried at anticipated realisable value. In general, the Company provides a full allowance for doubtful account for overdue outstanding debts exceeding 180 days (net of the portion subsequently received after year end). Other than general allowance, the individual allowance for specific debtors is also estimated by considering its financial positions, the customer's past collection experiences and other factors, such as changes in the composition and volume of the receivable, the relationship of the allowance for doubtful accounts to the receivable and the local economic conditions. Bad debts are written off during the year in which they are identified.

Goods in transit

Goods in transit represent the en-route fuel oil and bunkers which were being delivered to the customers. They are stated at the lower of cost or net realizable value. Cost is determined by the Specific Identification Method.

Equipment

Building improvement and equipment are stated at cost less accumulated depreciation and impairment loss (if any). Depreciation is calculated on the straight - line method to write off the cost of each asset to its residual value over the estimated useful life as follows:

Office building improvements	5 years
Fixtures and office equipment	3 - 5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Intangible asset

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and brings to use the specific software. These costs are amortized over their estimated useful lives of 5 - 10 years.

Investments in related parties

Investments in related parties are carried at cost, net of allowance for impairment (if any). The Company recognizes loss on impairment of investments in the statement of income when the fair value of the investments is lower than the cost.

Employee benefits

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

The Company provides for post employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognised in the statement of financial position is estimated on an actuarial basis using Projected Unit Credit Method. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Company determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Company considers the market yield at the statement of financial position date based on Thai government bonds with currency and term similar to the estimated term of benefit obligation.

The principal actuarial assumptions used were as follows;

	2013	2012
Discount rate	4.0 per annum	4.0 per annum
Future salary increases	5.0% for all employees	5.0% for all employees
Employee turnover	Scale related to Age and type of employment ranging from 0-13%	Scale related to Age and type of employment ranging from 0-13%
Mortality	According to Thailand TMO97 male and female tables	According to Thailand TMO97 male and female tables

Revenue recognition

Sales are recognised on the delivery of goods or on customer acceptance or on the performance of services. Sales are shown net of sales taxes and discounts.

Interest income is generally recognised as revenue on an accrual basis. Dividend income is recognized when the company's right to receive payment is established

Earnings per share

Earnings per share are calculated by dividing profit for the year attributable to shareholders by the weighted average number of common shares.

Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiary and fellow subsidiary are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Use of estimates

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates.

Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the exchange rates ruling at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Receivables and payables arising from cross currency swap contracts are translated into Thai Baht at the exchange rates ruling on the statement of financial position date. Gains and losses from the translation are recognized in the statements of income.

Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investments, trade accounts receivable and other receivable. Financial liabilities carried on the statement of financial position include trade creditors, borrowings and accrued expenses. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The Company adopt derivative strategies to manage the fluctuation of foreign currency as and when it is considered appropriate.

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The Company recognise deferred tax liabilities for all taxable temporary differences while recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Operating segment

Operating segment results that are reported to the Company's Board of Management (The Board), acting as the chief operating decisions maker of the Company, include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other assets beside trade account receivables, head office's other income and expenses and income tax expenses. An operating segment's operating results are reviewed regularly by the Board. The Board makes decisions about resources to be allocated to a segment of the Company, and assesses its performances, for which discrete financial information is available for them to make the decisions.

5. RELATED PARTIES TRANSACTIONS

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa.

Types of relationship of related companies are as follows:

Company	Nature of business	Relationship
Nathalin Co., Ltd.	Marine bunker transportation	The Parent Company
Khunnathee Co.,Ltd.	Marine bunker transportation	Shareholding and directorship
Nathalin Management Co.,Ltd.	Ship management agent	Common shareholder and directorship
N.T.L Marine Co.,Ltd.	Marine bunker transportation	Common shareholder
Thavorn Marine Co.,Ltd.	Marine bunker transportation	Common shareholder
Unioil Bulk Transport Co.,Ltd.	Marine bunker transportation	Common shareholder
Kanchana Marine Co.,Ltd.	Marine bunker transportation	Common shareholder
United Tanker Co.,Ltd.	Marine bunker transportation	Common shareholder
Thaimarine Tanker Co.,Ltd.	Marine bunker transportation	Common shareholder
Nathalin Offshore Co.,Ltd.	Marine bunker transportation	Common shareholder
Nathalin Offshore Co.,Ltd. (Singapore)	Marine bunker transportation	Directorship
Varich fitness Co.,Ltd.	Fitness Center	Common shareholder and directorship
TMN Co.,Ltd	Maritime Transport	Common shareholder and directorship
Sea Chem Transport Co.,Ltd	Marine bunker transportation	Common shareholder and directorship
Golden Ship Supply Co.,Ltd	Sale of vessel equipment and spareparts	Common shareholder and directorship
N.A.T.Mart Co.,Ltd.	Convenience Store	Common shareholder
Top Nautical Star Co.,Ltd.	Marine transportation service	Directorship
Jutha Maritime Public Co.,Ltd.	Maritime Transport	Common shareholder

The pricing policies between the Company and related parties are as follows;

- The goods sold to related parties were carried out on commercial terms and conditions.
- The revenues from the catering and housekeeping services provided to personnel on accommodation vessel were charged to the related party under Cost Plus Pricing Method.
- The services purchased from related parties were carried out on commercial terms and conditions.
- No premium charged for guarantee.

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2013 and 2012 are summarized as follows:

In Thousand Baht

	2013	2012
<u>Sales and service revenue</u>		
Nathalin Co., Ltd.	16,311	33,508
N.T.L Marine Co.,Ltd.	213,657	142,130
Thavorn Marine Co.,Ltd.	20,245	19,382
Kanchana Marine Co.,Ltd.	6,696	-
United Tanker Co.,Ltd.	-	1,398
Khunnathee Co.,Ltd.	-	45,562
Thaimarine Tanker Co.,Ltd.	23,691	20,716
Nathalin Offshore Co.,Ltd.	96,415	139,669
Nathalin Management Co.,Ltd.	197	415
Nathalin Offshore Co.,Ltd. (Singapore)	-	5,692
TMN Co.,Ltd	6,953	6,143
Sea Chem Transport Co.,Ltd.	6,321	917
Top Nautical Star Co.,Ltd.	13,984	-
Total	404,470	415,532
<u>Dividend receive</u>		
Khunnathee Co.,Ltd.	667	667
<u>Cost of sales</u>		
Golden Ship Supply Co.,Ltd.	400	551
<u>Selling expenses</u>		
N.T.L Marine Co.,Ltd.	14,608	12,110
<u>Rental and service expenses</u>		
Nathalin Co., Ltd.	2,357	2,356
Nathalin Management Co.,Ltd.	25	-
Varich fitness Co.,Ltd.	247	59
N.A.T.Mart Co.,Ltd.	146	-
Total	2,775	2,415

Significant balances as at December 31, 2013 and 2012 with related parties were as follows:

In Thousand Baht

	2013	2012
<u>Trade and other receivables</u>		
Nathalin Co., Ltd.	1,612	1,558
N.T.L Marine Co.,Ltd.	40,757	30,490
Thavorn Marine Co.,Ltd.	1,630	2,003
Kanchana Marine Co.,Ltd.	3,834	-
Thaimarine Tanker Co.,Ltd.	-	304
Nathalin Management Co.,Ltd.	-	267
Nathalin Offshore Co.,Ltd.	34,714	22,694
TMN Co.,Ltd.	1,216	29
Sea Chem Transport Co.,Ltd.	158	11
Top Nautical Star Co.,Ltd.	9,031	-
Total	92,952	57,356
<u>Trade and other payables</u>		
N.T.L Marine Co.,Ltd.	1,576	2,578
Golden Ship Supply Co.,Ltd.	150	55
Nathalin Co., Ltd.	56	57
Nathalin Management Co.,Ltd.	-	1
Total	1,782	2,691

For the year ended December 31, 2013 and 2012, Key managements personnel compensation are as follows:

In Thousand Baht

	2013	2012
Short-Term Employee Benefits	11,789	10,115
Post-Employment Benefits	-	-
Total	11,789	10,115

6. TRADE AND OTHER RECEIVABLES – OTHER COMPANIES

In Thousand Baht

	2013	2012
Trade receivables		
Trade receivables	285,586	219,266
Posted cheques received	-	9,838
Accrued income	3,319	-
Total	288,905	229,104
<u>Less</u> : Allowance for doubtful accounts	(15,772)	(10,281)
Net	273,133	218,823
Other receivables		
Prepaid expenses	1,093	1,728
Refundable value added tax	5,993	2,933
Total	7,086	4,661
Total	280,219	223,484

As at December 31, 2013 and 2012, trade receivables-other companies are classified by aging as follows:

In Thousand Baht

	2013	2012
Not yet due	226,351	147,057
Overdue up to 3 months	39,847	52,882
Overdue between 3 – 6 months	6,935	18,884
Overdue between 6 – 12 months	3,209	2,021
Overdue more than 12 months	12,563	8,260
Total	288,905	229,104
<u>Less</u> : Allowance for doubtful accounts	(15,772)	(10,281)
Net	273,133	218,823

In Thousand Baht

	2013	2012
Doubtful accounts	6,522	1,665

7. TRADE AND OTHER RECEIVABLES – RELATED PARTIES

In Thousand Baht

	2013	2012
Trade receivables	83,017	50,560
Accrued income	9,854	6,715
Total trade receivables and accrued income	92,871	57,275
Other receivables	81	81
Total trade and other receivables	92,952	57,356

The trade receivables and accrued income - related parties as at December 31, 2013 and 2012 are classified by aging as follows:

In Thousand Baht

	2013	2012
Not yet due	73,558	47,080
Overdue up to 3 months	19,313	10,195
Total	92,871	57,275

8. INVESTMENTS IN RELATED COMPANY

The details of investments presented in the financial statements as at December 31, 2013 and 2012 are as follows;

	Issued and Paid-up Capital (In Thousand Baht)		% of Holdings		Cost method (In Thousand Baht)	
	2013	2012	2013	2012	2013	2012
Khunnathee Co.,Ltd.	400,000	400,000	3.33	3.33	17,534	17,534

Khunnathee Co.,Ltd operates in marine bunker transportation business.

9. EQUIPMENT

In Thousand Baht

	Building improvement	Office Equipment	Total
<u>Cost</u>			
Net book value as at January 1, 2012	3,699	2,660	6,359
Acquisitions	-	40	40
Disposal	-	(67)	(67)
Net book value as at January 1, 2013	3,699	2,633	6,332
Acquisitions	-	468	468
Disposal/write - off	-	(263)	(263)
Net book value as at December 31, 2013	3,699	2,838	6,537
<u>Accumulated depreciation</u>			
Net book value as at January 1, 2012	42	1,002	1,044
Depreciation for the year	738	425	1,163
Disposal	-	(67)	(67)
Net book value as at January 1, 2013	780	1,360	2,140
Depreciation for the year	742	525	1,267
Disposal/write - off	-	(263)	(263)
Net book value as at December 31, 2013	1,522	1,622	3,144
<u>Net book value</u>			
December 31, 2012	2,919	1,273	4,192
December 31, 2013	2,177	1,216	3,393
<u>Depreciations included in profit or loss for the years end December 31,</u>			
2012			1,163
2013			1,267

As at December 31, 2013, certain equipment items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 422,826 (December 31, 2012: Baht 519,593).

10. INTANGIBLE ASSET

In Thousand Baht

	Total
<u>Cost</u>	
Net book value as at January 1, 2012	2,152
Acquisitions	427
Net book value as at January 1, 2013	2,579
Acquisitions	8
Net book value as at December 31, 2013	2,587
<u>Amortization</u>	
Net book value as at January 1, 2012	279
Amortization for the year	247
Net book value as at January 1, 2013	526
Amortization for the year	191
Net book value as at December 31, 2013	717
<u>Net book value</u>	
December 31, 2012	2,053
December 31, 2013	1,870
<u>Amortization included in profit or loss for the years ended December 31,</u>	
2012	247
2013	191

11. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

In Thousand Baht

	2013	2012
Trust receipts	-	94,538

As at December 31, 2013, the Company has short-term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 819.75 million and USD 10.89 million (December 31, 2012: Baht 624.75 million and USD 9.24 million.) The trade financing facilities include bank overdraft, letters of credit, trust receipts, promissory note and banks' letters of guarantee. The loan facilities charged interest at the rates of MOR and MOR-0.5% per annum for bank overdraft and at the rate of MOR-1% and MLR-1% to 1.5% per annum for other short-term facilities. As at December 31, 2012, the credit facility was guaranteed by parent company. The Company has released such guarantee during the year 2013.

12. TRADE AND OTHER PAYABLES - OTHER COMPANIES

In Thousand Baht

	2013	2012
Trade payables		
Trade payables	34,680	70,966
Other payables		
Accrued expenses	1,906	3,046
Other payables	909	407
	2,815	3,453
Total trade and other payables	37,495	74,419

13. EMPLOYEE BENEFIT OBLIGATIONS

In Thousand Baht

	2013	2012
Present value of obligation ;		
- wholly unfunded	554	454
- wholly or partly funded	-	-

The reconciliation of retirement benefit obligations for the years ended December 31, is as follows;

In Thousand Baht

	2013	2012
Obligation at the beginning of the year	454	360
Recognized as expenses in the statement of comprehensive income ;		
- Current service cost	83	80
- Interest cost	17	14
Total	100	94
Benefit paid during the year	-	-
Obligation at the end of the year	554	454

14. SHARE CAPITAL

At the Extraordinary Shareholders' Meeting held on February 14, 2013, the shareholders passed the resolutions to approve the change of authorized share capital from Baht 160 million (160 million common shares with the par value of Baht 1 per share) to Baht 180 million (180 million common shares with the par value of Baht 1 per share.) As at December 31, 2012, the Company had the authorized share capital of Baht 160 million and the issued and paid up share capital of

Baht 110 million. In order to compliance with the regulation, the meeting passed the resolution to call off the portion of authorized but unissued share capital by decreasing the authorized share capital from Baht 160 million (divided into 160 million common shares with the par value of Baht 1 per share) to Baht 110 million (divided into 110 million common shares with the par value of Baht 1 per share) and then passed the resolution to increase the authorized share capital from Baht 110 million (divided into 110 million common shares with the par value of Baht 1 per share) to Baht 180 million (divided into 180 million common shares with the par value of Baht 1 per share) by issuing new 70 million shares with the par value of Baht 1 per share. The appropriation of the offering of new common shares were identified as follows;

The First Portion of shares The appropriation of the increasing common shares of not more than 7.70 million shares with the par value of Baht 1 per share was offered to the directors and shareholders of the Company and the parent company under the same term and condition as those offered through Initial Public Offering.

The Second Portion of shares The appropriation of the increasing common shares of not more than 62.30 million shares with the par value of Baht 1 per share was offered through Initial Public Offering.

On August 29, 2013, the Company offered the first and second portions of 70 million common shares, with a par value of Baht 1 each, at a offering price of Baht 3.45 each through Initial Public Offering. The Company registered the increase of its issued and paid-up share capital from Baht 110 million (110 million common shares with a par value of Baht 1 each) to Baht 180 million (180 million common shares with a par value of Baht 1 each) with the Ministry of Commerce on 30 August 2013. The net amount received from share subscription was Baht 231.90 million (less the subscription expenses of Baht 9.6 million.) The Company recognized premium on share capital of Baht 161.87 million. The Market for Alternative Investment (MAI) approved the 180 million common shares with a par value of Baht 1 each as listed securities to be traded, effective from September 5, 2013.

15. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

16. DIVIDENDS PAID

At the Ordinary Shareholder's Meeting held on March 7, 2013, the shareholders passed the resolutions to approve the payment of dividends amounting of Baht 66.0 million. The dividends were paid to the shareholders who hold 110 million common shares at the rate of Baht 0.60 per share. The dividends were paid on March 8, 2013.

17. EXPENSES BY NATURE

The following significant expenditure items, classified by nature, have been charged in arriving operating profit for the years ended December 31;

	In Thousand Baht	
	2013	2012
Changes in inventories in transit	(1,385)	-
Purchase of finished goods	2,407,871	2,466,710
Direct cost for catering service on the accommodation vessel	105,582	76,990
Transport and distribution	41,168	21,905
Staff costs	19,987	18,222
Entertainment expenses	4,961	5,742
Depreciation and amortization	1,459	1,410
Doubtful accounts	13,691	1,665
Consultant and professional service fee	4,489	2,828
Sale commission expenses	5,155	8,758

18. INCOME TAXES

Income tax expenses for the years ended December 31, 2013 and 2012 are as follows:

	In Thousand Baht	
	2013	2012 "Restated"
Current income tax:		
Current income tax expenses for the year	(20,636)	(16,537)
Deferred tax:		
Tax income (expenses) relating to the origination and reversal of temporary difference	2,552	(2,373)
Tax expenses relating to the imposition of new tax rate	(322)	-
Income tax expenses reported in the statements of comprehensive income	(18,406)	(18,910)

Reconciliations of effective tax rate for the years ended December 31, are as follow;

	In Thousand Baht			
	Rate (%)	2013	Rate (%)	2012
Accounting profit before income tax		98,942		79,931
Income tax by applicable tax rate	20.00%	(19,788)	23.00%	(18,384)
Effect to income tax from tax-exempt incomes and non-deductible expenses		(848)		1,847
Tax expenses relating to the imposition of new tax rate		(322)		-
The recognition and reversal of temporary differences		2,552		(2,373)
Income tax expenses	18.60%	(18,406)	23.66%	(18,910)

As of December 31, 2013 and 2012, the components of deferred tax assets are as follows:

In Thousand Baht

	2013	2012 "Restated"
<u>Deferred tax assets</u>		
Allowance for doubtful accounts - Trade receivables	3,154	2,365
Allowance for doubtful accounts		
- Advance payment for purchasing of goods and services	1,434	-
Retirement benefit obligations	111	104
Total	4,699	2,469

19. EARNINGS PER SHARE

Earnings per share for the year ended December 31, 2013 and 2012 are calculated by dividing the profit attributable to shareholders by the weighted average number of common shares during the year.

In Thousand Baht/ In Thousand shares

	2013	2012 "Restated"
Profit for the year	80,536	61,021
The weighted average of number of common shares	133,780	110,000
Basic earnings per share (Baht per share)	0.60	0.55

20. SEGMENT FINANCIAL INFORMATION

Segment information is presented in respect of the Company business segments.

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest and income tax expenses and corporate common assets and liabilities.

The Company operates in 4 operating segments as follows;

- A) Marine sale of fuel oil and lubricant oil to the customers who operate in tanker industry
- B) Marine sale of fuel oil and lubricant oil to the customers who are bunker trader and agents
- C) Land sale of fuel oil and lubricant oil to transportation business and industry factories
- D) Catering service – providing both onshore and offshore housekeeping and food service

Operating segment information for the year ended December 31, 2013 was as follows:

In Thousand Baht

	Segment A	Segment B	Segment C	Segment D	Total
Revenue from external customers	1,347,792	1,120,417	136,354	116,148	2,720,771
Inter-segment revenues	-	-	-	-	-
Segment operating profit (loss)	86,177	38,806	(3,273)	8,553	130,263
As at December 31, 2013					
Trade account receivable - net	262,289	50,937	4,212	48,566	366,004
Other assets (Corporate assets)					153,812
Total assets					519,816

Operating segment information for the year ended December 31, 2012 (restated) was as follows:

In Thousand Baht

	Segment A	Segment B	Segment C	Segment D	Total
Revenue from external customers	739,299	1,703,134	174,639	83,107	2,700,179
Inter-segment revenues	-	-	-	-	-
Segment operating profit	35,021	65,222	4,273	4,607	109,123
As at December 31, 2012					
Trade account receivable - net	146,721	91,102	15,581	22,694	276,098
Other assets (Corporate assets)					127,514
Total assets					403,612

Segment operating profit for the year ended December 31, can be reconciled to the Company's profit for the year as follows:

In Thousand Baht

	2013	2012 "Restated"
Segment operating profit	130,263	109,123
Reconciling items :		
Other income - head office	345	7
Dividend income	667	667
Administrative expenses - head office	(31,993)	(29,470)
Financial cost - head office	(340)	(396)
Income tax expense	(18,406)	(18,910)
Profit for the year	80,536	61,021

Geographic segments

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand, and has, therefore, only one major geographic segment.

Information on major customers

For the year ended December 31, 2013, there are two major customers from segment A and segment B with annual sale of Baht 697 million and Baht 565 million respectively (accounting for 26% and 21% of the Company's annual sale)

21. FINANCIAL INSTRUMENTS

A) FINANCIAL RISK MANAGEMENT POLICIES

The principal financial risks faced by the Company are interest rate risk, foreign currency risk and credit risk. The Company borrows at both floating and fixed rates of interest to finance its operations. Some sale and purchase of goods are entered into in foreign currencies. Credit risk arises when sales are made on deferred credit terms.

The Company uses derivative instruments, when it considers appropriate, to manage such risks.

The Company did not intend to engage in trading derivative instruments for speculative purposes.

B) INTEREST RATE RISK

The Company was exposed to interest risks because it held deposits to and loan from financial institutions. However, such financial assets and liabilities are short-term, the Company believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flows; therefore, no financial derivative was adopted to manage such risks.

C) FOREIGN CURRENCY RISK

The Company has a portion of its sale made to the customers oversea; such sale will be supplied by the oversea oil producers and distributor. In such case, both the proceeds from sale and the payment from purchase are made in foreign currency (US dollar). These structures of transactions provide, to some degree, a natural hedge against foreign currency risk. The Company manages foreign currency risks through the use of forward currency contract, as and when it considers appropriate.

As at December 31, 2013, the foreign currency-dominated assets amounting of USD 1,137,045 were hedged through the use of forward contracts and there were the foreign currency-dominated assets and liabilities amount of USD 989,169 and USD 913 respectively remained unhedged.

D) CREDIT RISK

The Company was exposed to credit risk; however, due to the large number and diversity of the entities comprising the Company's customer base and the Company's emphasis on developing effective internal control over its credit management, The Company does not

anticipate material losses from its debt collection. In general, the Company provides a full allowance for doubtful account for overdue outstanding debts exceeding 180 days. Other than general allowance, the individual allowance for specific debtors is also estimated by considering the customer's past collection experiences and its financial positions.

E) FAIR VALUE

The financial assets and liabilities include cash and cash equivalent, trade accounts receivable and payable, other payable and loans. Their carried values approximate to their fair values.

22. COMMITMENTS AND CONTINGENT LIABILITIES

A) LEASE AGREEMENTS AND SERVICE CONTRACTS

The Company had 11 leases and service contracts (December 31, 2012 : 6 contracts) with outstanding commitments of Baht 4,109,538 (December 31, 2012 : Baht 6,508,256) with the detail as follows;

In Thousand Baht

Year	2013	2012
2013	-	3,215,172
2014	2,530,637	2,022,468
2015	774,821	571,071
2016	467,715	364,980
2017	335,765	334,565
2018	600	-

B) LETTER OF CREDIT ISSUED BY BANKS

As at December 31, 2013, the Company had no letters of credit issued by banks for acquisition of goods. (December 31, 2012: USD 1.68 million).

C) BANK GUARANTEE ISSUED BY BANKS

As at December 31, 2013, the Company had letters of guarantee issued by banks for payment of goods to suppliers amounting of Baht 39.76 million (December 31, 2012: Baht 23 million).

23. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2013, the Company's debt-to-equity ratio was 0.10:1 (December 31, 2012: 0.79:1).

24. RECLASSIFICATION

Certain accounts in the statements of financial position as at December 31, 2012 and January 1, 2012 and the statements of comprehensive income of 2012 have been reclassified to conform to the financial statements for the year ended December 31, 2013. The reclassifications made were as follows;

In Thousand Baht

	December 31, 2012			January 1, 2012		
	Before reclassification	reclassification	After reclassification	Before reclassification	reclassification	After reclassification
Statements of financial position						
Trade and other receivables						
- other companies	218,823	4,661	223,484	250,706	9,501	260,207
Trade and other receivables						
- related parties	57,275	81	57,356	68,056	81	68,137
Refundable value added tax	2,933	(2,933)	-	7,465	(7,465)	-
Others current assets	2,544	(1,809)	735	2,497	(2,117)	380
Trade and other payables						
- other companies	70,966	3,453	74,419	21,355	4,763	26,118
Trade and other payables						
- related parties	2,634	58	2,692	1,288	-	1,288
Other payables	3,511	(3,511)	-	4,830	(4,830)	-

In Thousand Baht

	For the year ended December 31, 2012		
	Before reclassification	reclassification	After reclassification
Statements of Comprehensive income			
Management benefit expenses	6,575	3,540	10,115
Administrative expenses	26,556	(3,540)	23,016

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