

ANNUAL REPORT 2017



“ENERGY FOR
LIFE”



SEADIL
PUBLIC COMPANY LIMITED

CORE VALUES



S

Service Mind

L

Learning

E

Entrepreneurship

I

Integrity

A

Active

O

Operational
Excellence



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VISION

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To be Leading Company of Energy, Petroleum and Petrochemical industries in Thailand and ASEAN for sustainable growth accordance with good governance and responsibility for all stakeholders.

”

MISSION

- Investment expansion to Energy, Petroleum and Petrochemical industries.
- Extend continuously both domestic and international markets.
- Revenue growth not less than 10% in 2017.
- Developing Human resources, Organization together with Partnership to manage business under Good Governance Concept.
- Enhance the Social Environment and Community Responsibility Policy.
- Encourage Anti-Corruption Policy.
- Focus on Corporate Sustainability for all stakeholders.



Message from Chairman

Dear Shareholders,

Sea Oil Public Company Limited still commits to operate its business with continuous growth and sustainability to achieve corporate goals becoming leading energy, petroleum and petrochemical organization under good governance principles with responsibility for all stakeholders.

In 2017, overall Thailand economy has increased from the previous year resulted from export and tourism sectors in line with the Global economic recovery as well as the main country partners, especially the United States of America, Europe, China and Japan. The world market crude oil price still fluctuates but has increased continuously from previous year due to increase in oil demand resulted from global economic recovery and cooperation among oil producers both OPEC and other groups in extending the reduction in crude oil production to maintain the stability of oil prices.

Even the overall Thailand economy in 2017 has expanded continuously, though, the Company still faced challenges in business mainly from the impact of oil price fluctuation. The key customers in offshore business reduced their oil purchase due to reduction in production while the activities in the Gulf of Thailand has also decreased. Those effected the decrease of the Company's revenue in petroleum sales and service. In addition, the Company also faced high competition in both domestic and international market as well as impact from an accident in Company's subsidiary in condensate splitter business that caused the overall company revenue and selling profit did not meet the target as planned. However, the company has attempted to modify the management strategies, including risk management strategy. In January 2017, the company has invested in the production & distribution of Electric Energy business (Solar Rooftop) which is renewable energy to increase revenues and profits as one of Company's risk management strategies.

In 2017, even the Company has faced business impact from economy and oil price fluctuation, the Company still recognizes the importance of conducting business according to good governance principles and management system based on transparency, fairness, sustainable development in economy, social and environment. The company is also developing organizational efficiency, business strategy including risk management, compliance, human resources, information technology security and maintain quality service standard as well as participation in community, social and environmental development to lead the Company can overcome obstacles and grow our business sustainably.

On behalf of the Board of Directors, I would like to convey my sincere appreciation to all our shareholders, customers, business partners, financial institutions and supporters who trust and support the company's business and to thank all executives and staffs who have contributed your full support and performed duties with honesty and sacrifice for continuous development. Please be confident that Board of Directors shall perform duties with full responsibility according to good governance principles for benefits of all stakeholders and sustainable growth.



Apisit Rujikeatkamjorn
Chairman



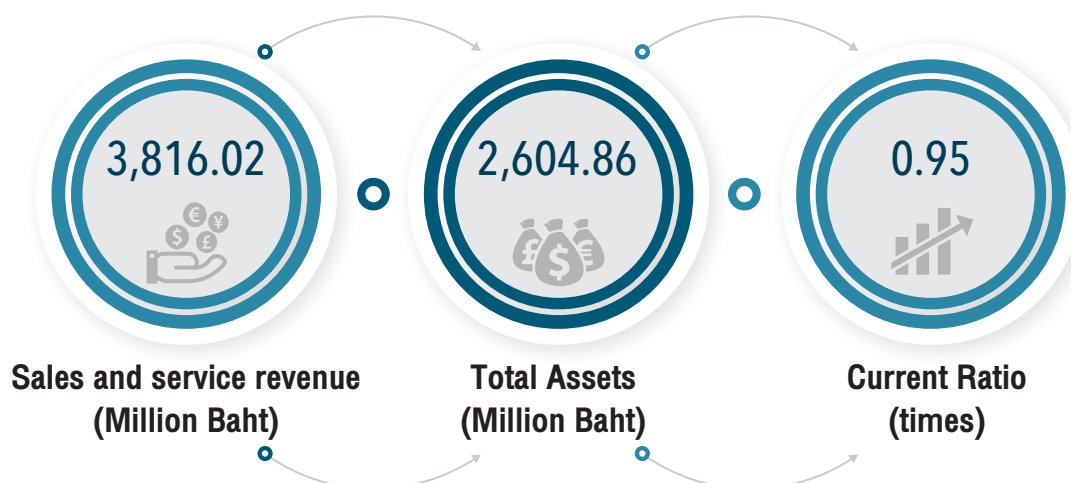


Financial Highlight in Year 2017

Statement of Income (Unit: Million Baht)	Consolidated		
	2017	2016	2015
Sales and service revenue	3,816.02	3,854.70	2,769.29
Gross Profit	218.65	315.35	254.09
EBITDA	(22.35)	100.49	79.00
Net Profit	(106.28)	(4.64)	6.50
Earnings per share (Baht)	(0.20)	(0.06)	0.02

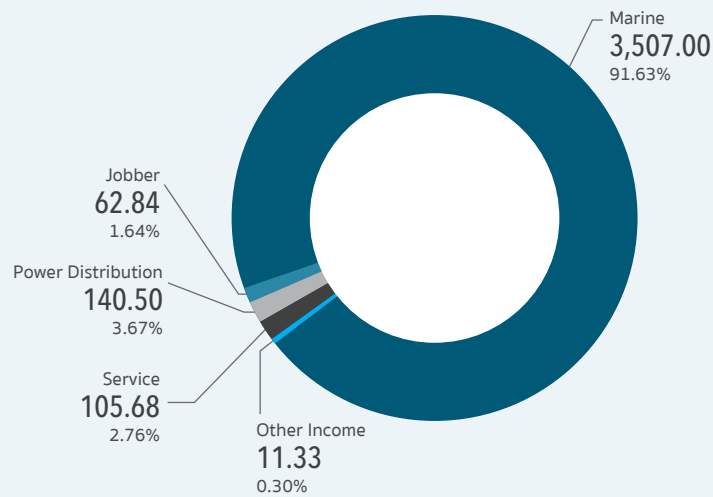
Statement of Financial Position (Unit: Million Baht)	Consolidated		
	2017	2016	2015
Total Assets	2,604.86	2,342.17	2,167.44
Total Liability	1,251.57	1,188.34	1,088.75
Total Shareholders' Equity	1,353.30	1,153.83	1,078.69
Equity attributable to owners of the parent	1,350.97	1,146.34	1,078.69

Financial Ratio	Consolidated		
	2017	2016	2015
Current Ratio (times)	0.95	0.66	8.59
Debt to Equity (times)	0.92	1.18	1.01
Gross Profit Margin (%)	5.73	8.18	9.18
Net Profit Margin (%)	(2.79)	(0.12)	0.23
Return on Total assets (%)	(3.97)	(0.19)	0.38
Return on Equity (%)	(8.37)	(2.16)	0.60
Issued & fully paid-up share capital (Million Shares)	553.54	415.12	359.99
Book Value per Share (Baht)	2.44	3.05	3.00

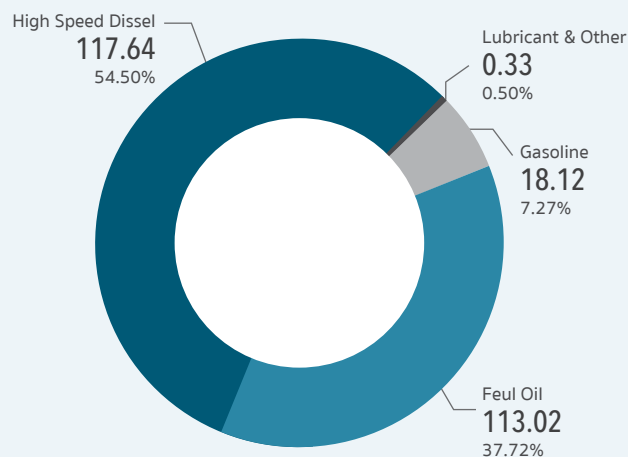


Performance of The Company & Subsidiaries in 2017

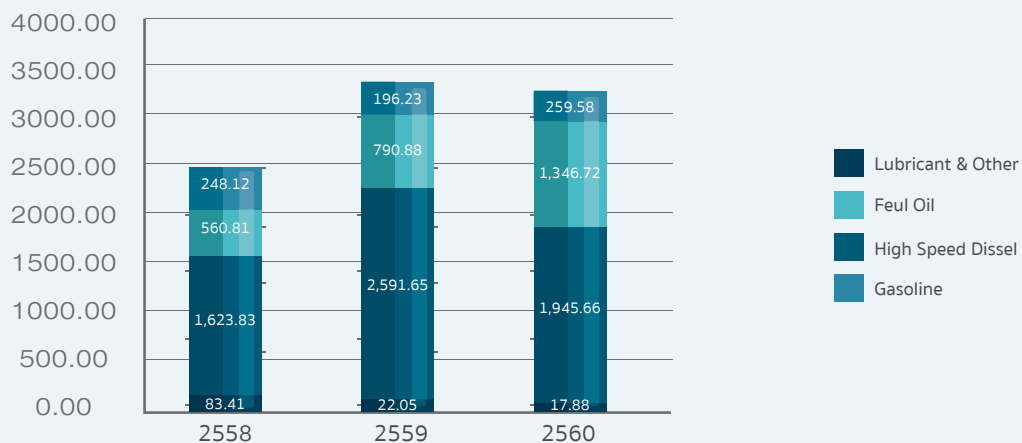
Revenue Structure in 2017 (Unit: Million Baht)



Fuel & Lubricant Sale Quantity in 2017 (Unit: Million Liter)



Revenue Sale Volume in 2015 - 2017 (Unit: Million Baht)





Policy and business overview

History and important developments

Sea Oil Public Company Limited (the “Company”) one of company in Nathalin Group. The Company established on 26 May 1997, with total registered capital of THB 1 million. Currently, the Company’s registered capital is 691,867,135 baht and issued and paid-up share capital is 553,538,208 baht. (As of 31 December 2017) The purpose of the Company is to supply and distribute fuel and lubricant business for different types of vessels such as bunkers, oil tankers, fisheries and others. The Company’s oil supplies come from major oil producers/traders which our customer are both domestic and foreign as Singapore, Laos, Cambodia, Myanmar, etc. The Company has no investment in fixed assets for fuel distribution as oil storage or vehicle, rather company procure independent transporter in delivery service.

October 2010

The Company expanded business to serve fuel and lubricant sale for factories and other businesses as land transportation vehicles and buses, which gave the Company opportunity to service various customers.

July 2011

The Company started catering and service business for accommodation barge at offshore in the Gulf of Thailand

September 2012

The Company commenced provision of raw materials preparation for supply boats, crew boats and offshore.

September 2013

The company officially entered the MAI which has been approved by the Securities and Exchange Commission and the Stock Exchange of Thailand. The initial public offering (IPO) is Baht 3.45 per share.



October 2014

The company set up “Sea Oil Energy Limited” in Bermuda with purpose to expand in international bunkering business.

December 2014

The Extraordinary General Meeting no.1/2014, the shareholder’s meeting approved shares acquisition of Pan Orient Energy (Siam) Limited in the approximate 49.99% of the total issued and paid-up shares. Investment in POES benefits the Company to integrate into petroleum exploration and production business which related to existing business scope. The company will learn and gain experience of expertise from the company that business and distribute petroleum products, which will lead to becoming a concessionaire in the future.

January 2015

The Company set up “Sea Oil Offshore Limited” in Labuan, Malaysia, with international bunkering customer expansion objective.

April 2015

“Sea Oil Petroleum PTE. LTD.” settled to provide bunkering service for international as to set self in centered of World Bunkering in Singapore and expand the customer base and overseas suppliers.

May 2015

The Extraordinary General Meeting no.1/2015, the shareholder’s meeting approved shares acquisition of Nakornchai Prakarn Chemical Company Limited (“NPC”) with 100% of total issued and paid-up shares. The Company finished shares allotment and acquisition of Nakornchai Prakarn on April 11, 2016, who operates in condensate splitter (on February 23, 2017, Nakornchai Prakarn Chemical Company Limited changed its name to “Sea Oil Petrochemical Company Limited”).

January 2017

The Extraordinary General Meeting no. 1/2017, the shareholder’s meeting approved the Company to invest in total of 10 solar power plants with a total of 7.825 megawatts. On February 24, 2017, the Company acquired 99.99% shares of Living Energy Co., Ltd. and its subsidiaries in the Solar Power Group who produce and sell electricity from solar energy.

Important changes in registered capitals

February 2013

The Company reduced its registered capital from baht 160 million to baht 110 million, and increased its registered capital from baht 110 million to baht 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. Each stock is baht 1.

April 2014

The Annual General Meeting 2014, the shareholders’ meeting approved the dividend payment by ordinary shares not exceeding in total of shares 30,000,000 at par value of 1 Baht per share to the company shareholders and approval the increase of the company’s register capital from the existing registered capital of Baht 180,000,000 to the new registered capital of Baht 210,000,000 and paid-up capital of baht 209,998,052.

December 2014

The Extraordinary General Meeting no.1/2014, the shareholders’ meeting approved the decrease of the registered capital from the existing registered capital of baht 210,000,000 to baht 209,998,052 and the increase of the registered capital from registered capital of baht 209,998,052 to baht 314,997,078 to be the source of fund for the acquisition in Pan Orient Energy (Siam) Limited shares

January 2015

The Company increase paid-up registered capital from baht 209,998,052 to baht 314,996,857 from share issued to existing shareholders.

April 2015

The Annual General Meeting 2015, The Shareholders’ meeting approved the increase of the Company’s register capital 44,999,551 shares at a par value of Baht 1 each for shareholder dividend payment from existing of baht 314,996,857 to registered capital baht 359,996,408 with paid-up baht 359,993,848.

May 2015

The decrease of the registered capital from registered capital of baht 359,996,408 to baht 359,993,848 and the increase of registered capital from registered capital of baht 359,993,848 to baht 379,124,282 by objective of NPC shares acquisition.

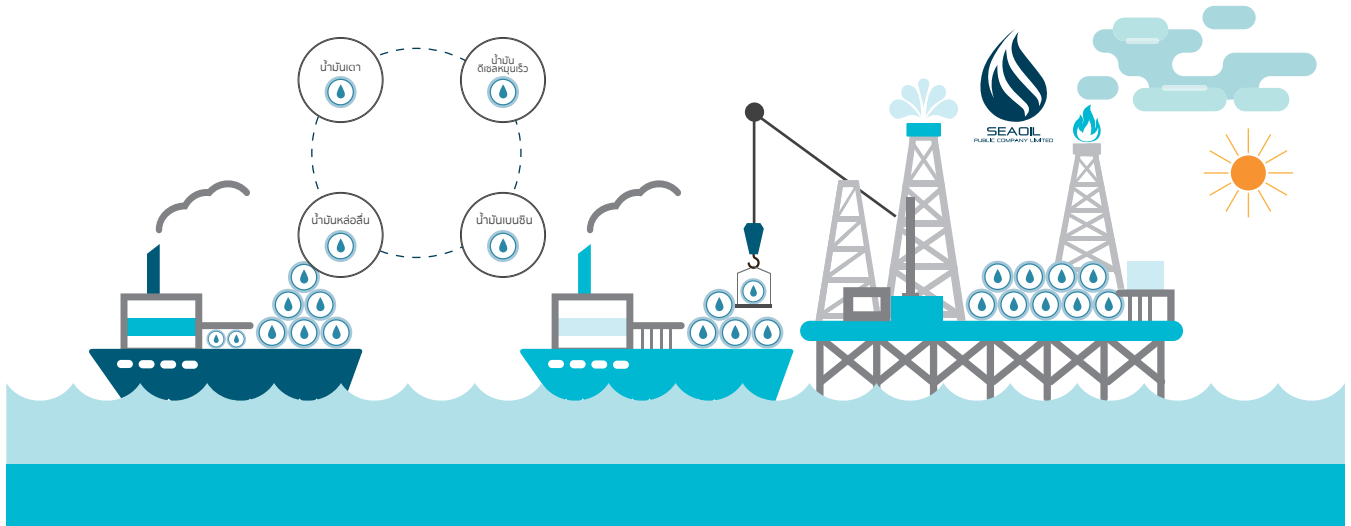


April 2016

The Annual General Meeting 2016, The Shareholders' meeting approved the increase of the Company's register capital 37,912,428 shares at a par value of Baht 1 each for shareholder dividend payment from existing of baht 379,124,282 to registered capital baht 417,036,710 with paid-up baht 415,120,281.

January 2017

The Extraordinary General Meeting 1/2017, The Shareholders' meeting approved the increase of the Company's register capital 276,746,854 shares at a par value of Baht 1 each from existing of baht 415,120,281 to registered capital baht 691,867,135 to invest in the solar power plant and to support the exercise of warrants to purchase the Company's ordinary shares (SEOIL-W)



Business overview

The Company started business by providing fuels and lubricants to vessels such as tankers, fishery boats, and reefer vessels. The Company's customers were domestic and international. The Company supplied fuels as high speed diesel oil, fuel oil, and lubricants. So, each type of marine vessel has different fuel and lubricant requirements.

The Company mainly supplies fuels and lubricants for marine customers. Since 2010, the Company expanded its business to cover supplying fuels for land customers, factories and 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.

Fuels supplied 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 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 from loading port to destination to ensure that product specification and quantity is correct, and delivery is on time, so customer feels confident on service delivered. The Company's profit derived from the difference between oil cost, including other price-related costs, and selling prices. Since its establishment, the Company gain operating profit on marine and land oil distributor.

The Company 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). For LPG, 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, excluding quantity procured for legal reserve.

In addition, the Company provides food, raw materials, and other services (supply management) for offshore staff and onshore. As the Company sees the prospect to expand catering and services to this customer segment.

The Company acquired Pan Orient Energy (Siam) Limited in the approximate 49.99% of the total issued and paid-up shares as onshore petroleum exploration and production which located at L53/48 Kampaengsaen district, Nakornprathom with 20 years of production. As invested in related business, the Company extended opportunity to growth in long term oil and gas business.

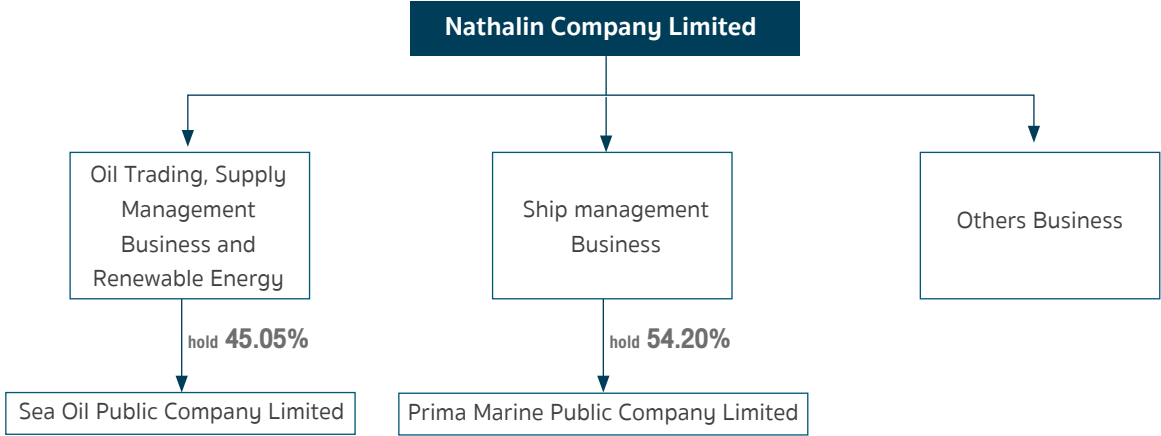
Further, the company acquired Nakornchai Prakarn Chemical Co., Ltd. ("NPC"), which engages in the production and distribution of petroleum products, including white spirit, rubber solvent, diesel and fuel oil. In the NPC's condensate splitter, located at Amata Nakorn Industrial Estate, Chonburi province with a production capacity of 180,000 liters per day as of 31 December 2017. The business is on trial production system.

In 2017, the Company invested in solar energy business, which has been operated by Living Energy Co., Ltd. with

its subsidiaries in total of 10 solar power plants for 7.825 megawatts by Entire Business Transfer and the Company will derive income in February 2017.

The Company has a major shareholder, Nathalin Co., Ltd., which owns 45.05%. 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 30 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, 2017 shown as follow:



Investment in related company

At of 31 December 2017, the Company's divested shares of in Khunnatee Company Limited (to Nathalin Co.,Ltd) of with Baht 17.53 million (3.33%) of the whole Issued and paid-up capital of Khunnatee Company Limited.

Investment in subsidiary company

At of 31 December 2017, the Company's Financial Statement, the Company's investment in subsidiaries as the value of cost approach was THB 370,432,920 consisted as;

Investment in Sea Oil Energy Limited

Bermuda, valued baht 32 (1 US dollar), 100% of fully registered capital as issued and paid-up capital.

Investment in Sea Oil Offshore Limited

Labuan, Malaysia, valued baht 0.98 million (30,000 US dollar), 100% of fully registered capital as issued and paid-up capital.

Investments in Sea Oil Petroleum Pte. Ltd., Singapore

AS amount Baht 26.97 million (US \$ 750,000) 75% of fully registered capital as issued and paid up capital.

Investment in Sea Oil Petrochemical Company Limited ("SOC")

On 11 April 2016, the Company acquired shares in Sea Oil Petrochemical Company Limited ("SOC"), which operates the condensate splitter business, produce and distribution of solvents and liquid petroleum products at in 1,500,000 shares at a par value of Baht 100 each, representing 99.99% of the total issued and paid-up share capital of SOC.

On 22 May 2017, SOC increase its registered capital of 0.54 million shares to total registered capital of 2.04 million shares at Baht 100 per share. The Company paid the additional share capital of Baht 25 per share, total Baht 13.50 million.

Investment in Living Energy Company Limited

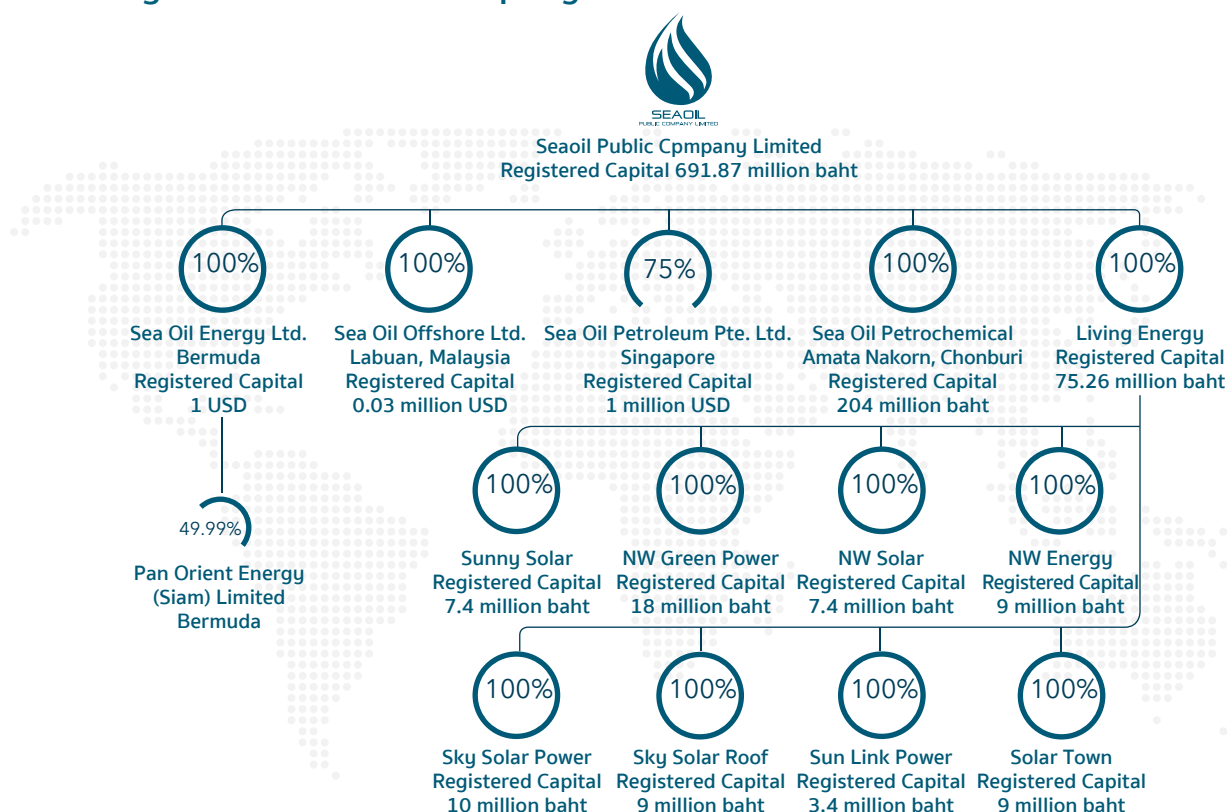
On 24 February 2017, the Company invested in Living Energy Co., Ltd. (LIV) in 0.75 million shares at a price per share value of Baht 249.80 with total of Baht 188 million from on entity under common control. The Company recorded other direct expenses related to the acquisition of investment in amount Baht 5.16 million, In combination, total cost of investment of Baht 193.16 million.

Investment in Joint Ventures

At of 31 December 2017, the Company and subsidiaries invests in Joint Ventures by equity method valued Baht 1,265.69 million or cost method of Baht 1,387.88 million as Sea Oil Energy Limited acquires share of Pan Orient Energy (Siam) Limited ("POES") on February 2015, with petroleum exploration and production in Thailand as total 9,863 shares in approximate 49.99% of the total issued and paid-up capital.



Organization of the Company and subsidiaries at of 31 December 2017



Business goals and strategies

The company is committed to sustainable business growth to enter as leading manufacturing organization. Fuel Distribution, Supply Management both domestically and in ASEAN countries. As well to providing petroleum resources by focusing on building a sustainable management approach. Conducting business ethically and transparently are focused for all stakeholders of the business, whether the shareholders, employees, business partners, customers, or third parties with interests. Under the responsibility of society and environment, Corporate Governance Policy, Code of Conduct, Social and Environmental Responsibility Policy, Anti-Corruption Policy, the policy of quality is to provide a framework for management and employees to work in the same direction. The Company has set and modified business strategies to meet the changing environment. Economic conditions and oil prices are fluctuating. The company is intended looking for new business opportunities to add value and extend from existing business. To stabilize and maintain the competitiveness of business, the company has been in business strategies for sustainable development as follows.

1. Enhancing product quality and developing customer service standards.

The company has been providing oil and lubricants to marine vessels for more than 20 years. The company has executives and employees with experience and expertise in oil distribution business. The company believes that the success of the oil business is due to the reliability and satisfaction of the customers. The company strictly manage oil quality control to supply and transport goods to customers. To provide customers with products that meet the requirements in good condition and on time delivery. Focus on customer service to achieve maximum satisfaction, by being aware of safety, health, environment and social responsibility.

2. Business expansion and services to related businesses, including production, fuel distribution, raw materials and services. Expand customer base both domestically and internationally to extend market share.

To operate the business through bunkering, the company expanded its fuel distribution business to cover all types of vessels. Especially the large cargo ships and the large ships fleet, including other services necessary to



the vessel and oil and gas rigs and in land, to be a marine service to various types of vessels. From domestic distribution, the company also recognizes the potential for overseas oil distribution, which is the sale to international customers. Including the distribution to oil traders to sell abroad. The company has expanded its overseas market by establishing as international subsidiary to expand our customer base and suppliers.

The company plans to continuously expand service to meet the needs of customers as business of supplying food, raw materials and other services for vessel and offshore oil and gas exploration (Supply Management), including food service, cleaning and laundry, for staff concerned as Catering and Service. And the supply of raw materials for food preparation, provision of supplies and other services, which are essential to vessel and oil and gas drilling rigs. It also focuses on customer service to maximize satisfaction. Being aware of safety and occupational health of customers is important. Based on the principles of safety, occupational health and environmental management in accordance with the company's quality policy.

The Company has continuously invested in exploration and production business to promote the company's petroleum products business. This could be the main business that will generate lot of revenue for the company in the future.

By providing petroleum resources with the skills and knowledge of specialized personnel. If the company has learned from its experience and explore, production and distribution of petroleum products may become a long-term concessionaire in the future.

The Company has invested in condensate splitter plants. It is a business for producing and selling all kinds of solvent and liquid petroleum products. To increase sales and extend business that complements for current petroleum business.

3. Business expansion opportunities in other business segments to reduce business risk and strengthen company stability.

The company plans to expand its business to mitigate the impact of oil price volatility. By expanding the business to additional energy sources. In 2017, the company acquired 10 solar projects, which generate more revenue and profits for the company. And this is environmentally friendly as alternate energy for society and community in the future.

4. Developing human resources and promoting partners in international standards. Under the management of good governance, social responsibility and environmental responsibility.

The Company continues to adhere to its business practices and corporate governance practices. All stakeholders including employees, business partners, customers, society, the community and the environment are all involved. To balance and lead to a sustainable growth organization.





Nature of Business

Business structure

Sea Oil Public Company Limited have 2 core business as 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).

In the year 2017, the Company earned additional revenue from the operation of the Solar Rooftop business by Living Energy Co., Ltd. and its Solar Power Subsidiary.



Revenue Structure

The Company and subsidiary's main revenue is from fuel and lubricant sale both marine and Jobber (inland) in all market (domestic and international). 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. And the company has expanded its fuel distribution market to overseas and January 2017, the company expanded its business and distribution of Solar power. The Company and its overseas subsidiaries have the following income:

(Unit : Million Baht)	2015		2016		2017	
	Value	%	Value	%	Value	%
Revenue from Fuel Sale	2,552.17	91.08	3,600.96	93.34	3,569.84	93.27
- Marine	2,451.33	87.48	3,438.46	89.13	3,507.00	91.63
- Jobber	100.84	3.60	162.50	4.21	62.84	1.64
Revenue from services & equipment	217.11	7.75	186.49	4.83	105.68	2.76
Revenue from Distribution power	-	-	67.24*	1.74	140.50	3.67
Other income	32.90	1.17	3.03	0.08	11.33	0.30
Total	2,802.18	100.0	3,857.72	100.0	3,827.35	100.0

* Revenue from electricity distribution in 2016 is the result of an adjustment in the presentation of financial statements, due to the acquisition of new businesses during the year 2017, the business was under the common control.

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 Thairoil 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:

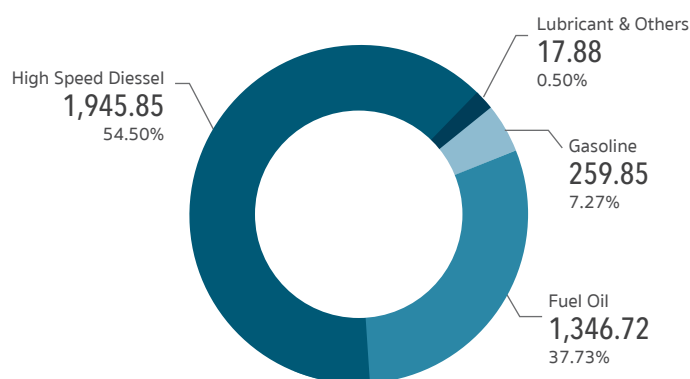
- Marine Fuel:
 - High Speed Diesel
 - Fuel Oil
 - Gasoline
- Lubricant Products: Engine oil, gear oil, hydraulic oil, main engine oil, turbine & compressor oil, etc.



Revenue from goods sold by product as follows:

Fuel Sale Revenue by Product Year 2017

(Unit : Million Baht)

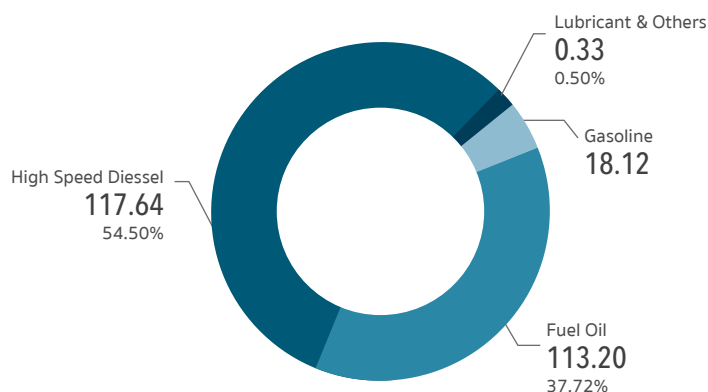


Revenue from Goods Sold (Unit : Million Baht)	2015		2016		2017	
	Value	%	Value	%	Value	%
Fuel Products	2,468.76	96.73	3,578.91	99.39	3,551.96	99.50
- High Speed Diesel	1,623.83	63.63	2,591.65	71.97	1,945.66	54.50
- Fuel Oil	560.81	21.97	790.88	21.96	1,346.72	37.73
- Gasoline	284.12	11.13	196.38	5.45	259.58	7.27
Lubricant & Others	83.41	3.27	22.05	0.61	17.88	0.50
Total	2,552.17	100.00	3,600.96	100.00	3,569.84	100.00

Sale Quantity by product as follow:

Sale Quantity by Product Year 2017

(Unit : Million Litre)



Sale Quantity Unit : Million Litre	2015		2016		2017	
	Quantity	%	Quantity	%	Quantity	%
Fuel Products	133.00	96.99	270.25	99.84	202.92	99.50
- High Speed Diesel	77.21	56.30	171.38	63.32	117.64	54.50
- Fuel Oil	41.17	30.02	80.84	29.87	113.02	37.72
- Gasoline	14.62	10.66	18.03	6.66	18.12	7.27
Lubricant & Others	4.13	3.01	0.42	0.16	0.33	0.50
Total	137.13	100.00	270.67	100.00	249.11	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 offshore & 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. 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 services to vessels and offshore oil & gas exploration business customers who constantly require those products for their operation. Products must be of high quality and hygienic to the needs of customers including oil rig. There is a need for food or supplies throughout the operation period.

3) Solar Power Plant business

Operated by Living Energy Co., Ltd. and its subsidiaries ("Living Group") is a renewable energy business to generate electric power by Solar rooftop that uses the appropriate technology and provides the stable return in the long run. Including the services of supervising the operation and maintenance of solar power plants.

The Living Group has 10 Solar Power Plants projects (Solar Rooftop), a total capacity of 7.825 MW, all of which has been commercially distributed as Commercial Operation Date (COD) to the Provincial Electricity Authority (PEA) 7.60 MW and Metropolitan Electricity Authority (MEA) 0.255 MW and all projects COD in March 2015. The term of the agreement is 25 years since SCOD (Schedule Commercial Operation Date). The Feed in Tariff rate of PEA 6.16 Baht per kWh and MEA 6.55 baht per kWh that fixed rate throughout the contract period.

Distribution Channel

Fuel Products:

SEAOIL supplies and distributes fuels and lubricant products through two main channels which are marine fuel distribution and inland (Jobber) distribution.

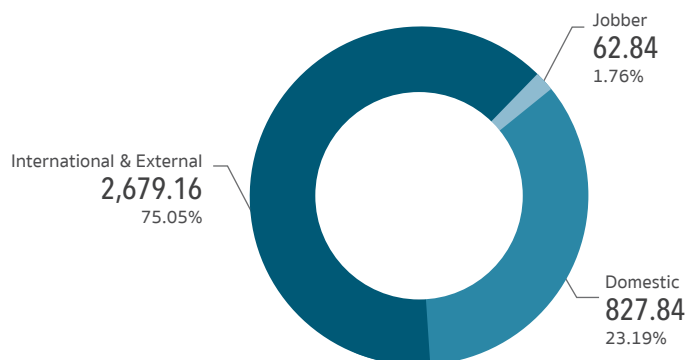
- Marine fuel distribution:
 - Domestic supply to all kinds of ships in Thailand
 - International supply to all kinds of vessels running on international shipping routes
 - External distribution to customers' vessels needing fuel supply abroad
- Inland (Jobber) distribution to local industries, land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



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

รายได้จากการจำหน่ายน้ำมันตามช่องทางการจำหน่าย ปี 2560

(Unit : Million Baht)



Sale Revenue (Unit : Million Baht)	2015		2016		2017	
	Value	%	Value	%	Value	%
Marine	2,451.33	96.05	3,438.46	95.49	3,507.00	98.24
- Domestic	2,299.99	90.12	1,072.46	29.78	827.84	23.19
- International&External	151.34	5.93	2,365.99	65.70	2,679.16	75.05
Jobber	100.84	3.95	162.50	4.51	62.84	1.76
Total	2,552.17	100.00	3,600.96	100.00	3,569.84	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.

Production and Distribution of Electric Energy

- Solar Power Plant Project of the Living Group is classified as a Very Small Power Producer (VSPP). The electricity supplied to the MEA and PEA. Power Purchase Agreements (PPA) of 10 projects. The distribution channel connects the power from each project to the power station of the MEA or PEA. Electricity sales volume, calculate from the power unit through the electricity meter at each power supply of each project and distribute to the public.

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 Litre)	2015		2016		2017	
	Quantity	%	Quantity	%	Quantity	%
Marine	132.31	96.48	262.47	96.97	246.28	98.87
- Domestic	71.57	52.19	71.12	26.27	58.46	23.47
- International&External	60.74	44.29	191.35	70.70	187.82	75.40
Jobber	4.82	3.52	8.20	3.03	2.83	1.13
Total	137.13	100.00	270.67	100.00	249.11	100.00

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.

Production and Distribution of Electric Energy

Target groups include the government, state enterprises, private sectors, large industrial plants and people who want to use electricity as prescribed by law .

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.

Solar Power Plant Business

The Living Group company is qualified by the Electricity Authority and the Ministry of Energy to submit the application for the distribution and connection of electrical systems by Photovoltaic (PV) or solar cells of Commercial Rooftop. The distribution channel connects the power from each project to the power station of the MEA or PEA.



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

SEA OIL 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.

• Solar Power Plant business

Demand for electricity in the country continues growth. The Living Group company supply the electric energy for MEA and PEA under the term of Power Purchase Agreements (PPA) only.

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.

In addition, the Company has conducted continuous quality improvement activities (CQI) on disposal of oil sample and its packaging. The Company has set up work instruction such as storage and destruction of oil products. This is in accordance with the ISO 9001: 2015 standard. The company has a quality process on supplier selection to dispose oil with environmental care. And its bottles are recycled in accordance with industry standards. Every step of the company's operations will be aware of all stakeholders and community

Conduct Continuous Quality Improvement Activities (CQI)





Risk Factors

Strategic Risk

Risk from oil price fluctuations

Oil prices fluctuate from factors as supply and demand of the market, each country's oil reserves, climate or season and oil production policies of OPEC countries. World oil prices in 2016 and 2017 steadily fluctuated which impact on company sales revenue, but not significantly effect to company profit. Since the Company is strictly on pricing policy as Cost Plus Pricing Method and no legal reserve inventory cost. Further, the Company's customers are mainly a marine bunker both in country and overseas, industrial and entrepreneur businesses sector which those are oil consumers with continuous business operations. The Company believes that the volatility of oil prices does not directly affect the fuel consumption of its customers.

However, fluctuations in oil prices may have an impact on the investment project in the joint venture Pan Orient Energy (Siam) Limited (POES), which operates in exploration and production of petroleum. The Company manages price risk with POES partners by analyzing the

impact of oil prices at all level of prices with revenues and profit to find the effective way to manage operating costs, including adjusting the production plan to suit with oil price situation and sustain safe production.

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 success in marine fuel supply business is product expertise, delivery standard and service focused of Sales. The Company therefore gives importance to its employees, an important resource in business operation, by offering reasonable compensation and providing regular training to enhance their knowledge, capability and awareness in skill development



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 based on the market price. Its procurement from the largest oil producer in Thailand. The huge volume of its procurement enables the Company to receive a competitive price and rest assured of fuel supply 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 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 together 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 2015-2017, the Company's domestic sales of fuel and lubricant products were in an aggregate amount of 91.95 million liters, 62.26 million liters and 44.59 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 company performance.

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. From such policy, the company has expanded its market to overseas customers by trading from our foreign subsidiaries. Then, the proportion of domestic sales remains under the legal limits.

Risk of New Project Investment

Currently, the company has invested in new projects both domestic and abroad to extend in relevant business operation which each project had been considered as a potential project, consistent with company goals and business strategies. All can generate a reasonable return on risk tolerance through analysis, feasibility and risk assessment prior to investing. Investment in new projects may cause uncertainty both in risks and opportunities. The Company determined risk management and preventive on project investment to meet the objective start from set up investment policy, consider the investment steps, to hire specialized on project management, information technology (IT) to help support the business effectiveness and efficiency on project operations, closely tracking and report the implementation of projects invested.

In 2016, the company has restructured its organization to support the expansion of investment, with the addition of Investment project management. The management of the Company is also required to be director in the subsidiary. Including risk analysis with a consultant who specializes in project management and risk management.

However, if the return of any project investment may not meet the investment plan, whether caused by internal or external factors. The Company will take immediate action to reduce the impact of such risks occur.

Cyber Security Risk

Due to the business operation of the company which mainly rely on information technology. At present, Cyber Criminal is a growing threat for organization. This may affect the reliability and confidence of investors. Therefore, the Company has taken into consideration the risks and measures to protect such risks by continuously raising the awareness of information security related to the current threats to the personnel in the organization. Defining security policies in information technology, instruction to



use the computer and the Internet properly and safely. Develop systems or programs to monitor behavior and manage incoming threats. Regularly test and evaluate the protection system. These are plans to deal with the threat which regularly test and closely monitor.

Financial Risk

Risk from interest rate fluctuations

The Company may be exposed to interest rate increases which impact on financing costs, financial position and business performance. The company currently has a working capital both in short-term and long-term. On the Company's risk management policies, focused on cost management to be align appropriate with its business, debenture, margins on sales according to the financial cost. So the interest expense was offset by the gross profit from sales then the company is not directly affected by fluctuations in interest rates.

Risk from foreign exchange rate

The Company carries costs in foreign currencies from sales revenue and its fuel purchase from overseas suppliers or traders. Forward contracts will be executed in full amount with local commercial banks to hedge against foreign exchange risk that could affect its performance.

Risk of company liquidity

As company continued to expand in petroleum, petrochemical and energy businesses, working capital consider to be so important which might impact company liquidity. Though the company concerned on management planning focusing on investment in the way of varies financial instruments to raising funds from shareholders and investors, working capital management in effective operations. The Company has efficient debt collection management system, they make payments on time. Simultaneously, the company continues to operate its business with fully responsibility to creditors and financial institutions throughout the terms of compliance and loan agreement. From this reliability factor, financial institution allocate credit lines and loan facilities for business expansion or working capital.

Operational Risk

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 from risk involved with customer payment for goods and services or their late payment of debt.

The Company has formed a Credit Committee, consisting of Assistant Vice President, Chief Financial Officer, Sales Department Manager, and Customer Service Department Manager, to consider and approve a credit line and credit term for new customers and review on existing, to monitor the follow-up and collection and decide on legal action accordingly. The Credit Committee also review aging report on a monthly basis to closely monitor on debt payment.

Risk from reliance on parent company in Sales of goods and services

The Company has a major shareholder, Nathalin Co., Ltd. which owns a 45.05%. In 2015-2017, the Company generated income from sales of goods and rendering of services to Nathalin Group in an amount of Baht 326.46 million and Baht 255.14 million and Baht 272.36 million respectively, representing 11.79%, 6.73% and 7.14% 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. The Company has expanded its customer base to other customer groups such as domestic and international Bunker, Non-Thai vessels, Supply boat to Oil&Gas Exploration business and etc. Simultaneously, the Company focuses on maintaining good relationship with existing customers and seeks for opportunities to increase the number of new customers to continuously maximize revenue and profit as well.

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, including raising transporter selection standard by conduct service and performance evaluation on every product delivery to be certain in best quality delivered to customer.

Safety, health and environmental risks

Risks of oil transportation by vessel and truck might cause effect from accidents, oil quality and quantity incorrect, oil spill or static electric. Work and Training Procedures enhanced in process and product monitor including emergency plans to comply with law, regulations and international principles

Potential Risks on Catering and Housekeeping Services may have the potential of hygiene, contamination, temperature control of raw materials, cooked food and storage duration. International standard applied to strictly focus on customer needs throughout their satisfaction for quality, safety, occupational health and environment. Certified according to GMP, HACCP and Food Safety Hygiene Practice, ISO 9001: 2015

Operational Risk in Condensate Splitter Plant include oil spills, product quality, transportation accident, static electric and so on. The company follows the policy of quality, safety, occupational health, environment and compliance with the law, Government Regulations Standards, as well The Company has complied with the regulations of the Industrial Estate Authority of Thailand regarding safety management standards, production process and process safety management in the industrial estate such as ISO 9001: 2015 and ISO 14001: 2015.

The Company has a systematic risk management plan to reduce risk factors that may affect the quality of safety, occupational health, community and society, the Company encourages continuous development and improvement of working environment to accommodate changes in law, technology, environmental status, and social conditions. The Company encourages employee awareness and recognition on quality, health, safety, environmental and social responsibility by communicate the practices throughout the organization.

Risk from significant influence of major shareholders to its company and minority shareholders

As at December 31, 2017, Nathalin Co., Ltd. and persons under Section 258 will acquire a total of 56.58% 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.

Moreover, the Company clearly defined scope of authority of Board of Directors, Audit Committees and Executive Committees and standard. If the Company has a need to do any transaction with a person who may cause conflicts of interest. The company will strictly follow the approval of the transaction and the terms of the Securities and Exchange Commission, Capital Market Commission and The Stock Exchange of Thailand. The person who may have conflicts of interest will not be entitled to vote on the transaction. By the regulatory policy, this is to protect the rights of minority shareholders, such as the disclosure of important information to shareholders through various channels. The opportunity of shareholders to propose to the shareholders' meeting and to nominate candidates to be considered for appointment as Directors.





Capital Structure

Securities

As of December 31, 2017, The Company had a Registered Capital 691,867,135 Baht, divided into 691,867,135 Ordinary Shares, 1 Baht each and Paid-up Capital 553,538,208 Baht, divided into 553,538,208 Ordinary Shares, 1 Baht each.

1) Shareholder

The shareholder name list of Company as of 12 March 2018 counted to all shareholders that concerning in section 258 of the Securities and Exchange Act B.E. 2535 as follows:

Shareholder Name	Capital Structure	
	Amount	%
1. Panboonhom Group	313,187,910	56.58
1.1 Mr. Churdchoo Panboonhom and wife	58,666,963	10.60
1.2 Ms. Neeracha Panboonhom	4,400,000	0.79
1.3 Ms. Paleerat Panboonhom	788,205	0.14
1.4 Nathalin Company Limited	249,332,742	45.05
2. Mr. Thada Olaric	17,497,032	3.16
3. Mr. Apisit Rujikeatkamjorn	15,426,900	2.79
4. Thai NVDR Company Limited	7,280,577	1.32



Shareholder Name	Capital Structure	
	Amount	%
5. Ms. Viorn Tongtaeng	6,196,094	1.12
6. Mr. Chansak Fuangfu	5,750,000	1.04
7. Ms. Chalinee Katekaew	5,367,482	0.97
8. Mrs. Dararay Ratanachaiwan	4,413,600	0.80
9. Mrs. Thunyakorn Thamapanya	3,460,000	0.63
10. Mr. Nopporn Luangtana-anan	3,073,283	0.56
11. Mr. Suraphon Meesathien	2,933,329	0.53
12. Mr. Prompong Chaisrisawatsuk	2,933,329	0.53
13. Ms. Kaetsarin Urnpongcharoensuk	2,812,845	0.51
14. Other Shareholder	163,205,827	29.46
Total	553,538,208	100.00

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

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

Other Securities

SEAOIL's Debenture no.1/2015 have term to maturity in 2017 for be sold offering to Institution Investor or Majority Investor. Detail of Debenture Bond as follow:

Debenture No.	Issued value	มูลค่าที่ยังไม่ไถ่ถอน (ล้านบาท)	วันที่ออกหุ้นกู้	วันที่ครบกำหนด ไถ่ถอน	อัตราดอกเบี้ย ต่อปี (%)
1/2015	1,000	0	17 September 2015	15 September 2017	5.35

The Company has issued a Bill of Exchange (B/E) No. 1 due 2018 for offering to Institutional Investors or Majority Investors. Details of Bills of Exchange are as follows:

B/E No.	Issued value (Million Baht)	Non-maturity value (Million Baht)	Issued Date	Maturity Date	Discount rate (%)
1	400	400	23 August 2017	23 February 2018	6.50



Dividend Policy

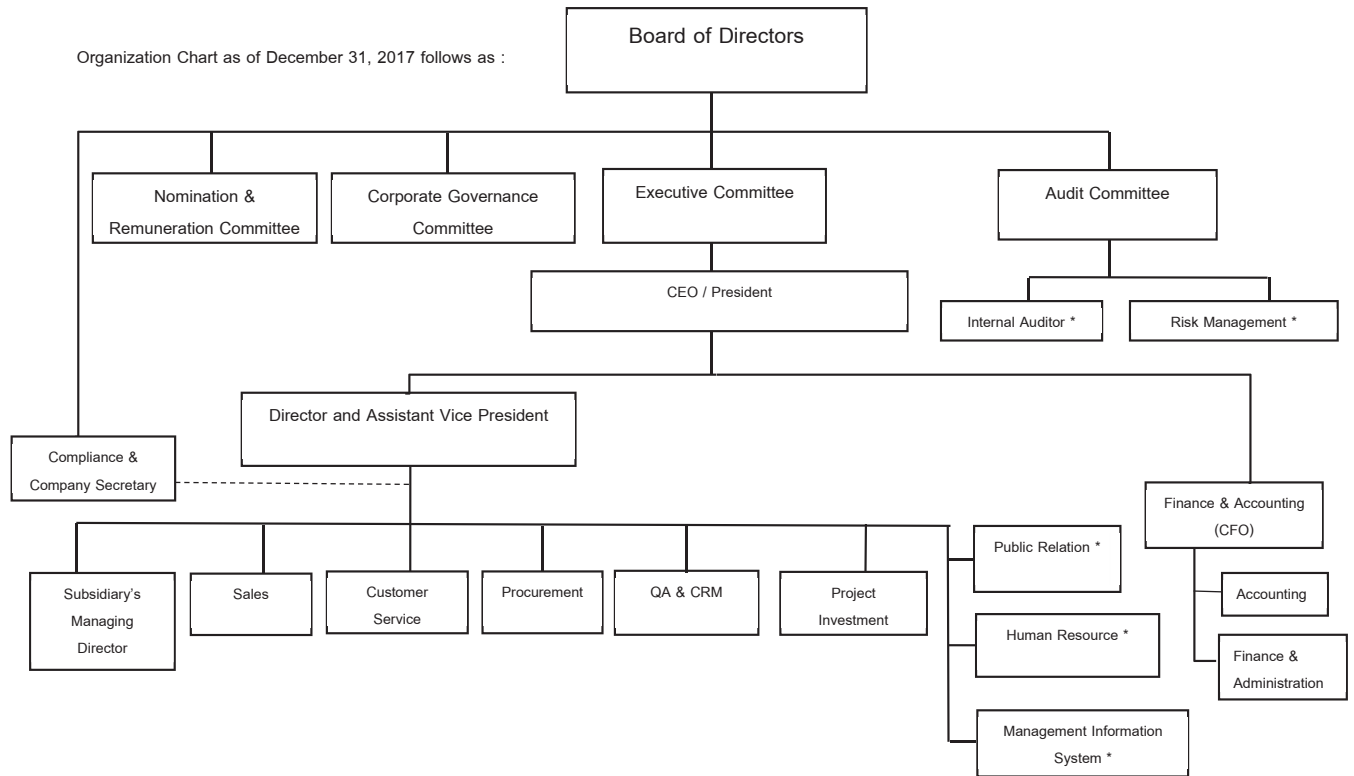
The Company has a policy to pay dividend at not less than 30% of net profit after corporate income tax and all reserves as required by law and as set out in the Company's Articles of Association. The Board of Directors has authority to approve dividend payment by taking into consideration various factors in the interests of the shareholders 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.





Management Structure

Organization Chart as of December 31, 2017 follows as :



Remark

* The Company outsource Public Relation Department (PR), Human Resource Department (HR) and Management Information System Department (MIS)

** For Outsource Operation (IA, HR, MIS) The Company was giving power to QA&CRM Department that is Controller and Assessment Result of Outsource.



The Company Organization consisted of the Board of Directors and sub-committee as the Audit committee, The Nomination and Remuneration Committee, Corporate Governance Committee and The Executive Committee. The Director structure has 8 persons that appropriate with sized business. The Director structure consisted non-executive director 2 persons, executive director 3 persons and independent director 3 person as follows:

The Board of Directors

As of December 31, 2017, the Board of Directors are 8 directors as follows:-

Name	Position
1. Mr.Apsit Rujikeatkamjorn	Chairman
2. Mr.Taweep Soontornsingha	Vice Chairman / Independent Director / Member of Audit Committee / Chairman of Nomination and Remuneration Committee / Chairman of Corporate Governance Committee
3. Assoc.Prof.Dr.Ruth Banomyong	Independent Director / Chairman of Audit Committee
4. Dr.Chalermwit Chimtragoon	Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee / Member of Corporate Governance Committee
5. Mr.Suraphon Meesathien	Director / Member of the Nomination and Remuneration Committee / Member of Corporate Governance Committee
6. Mr.Prompong Chaisrisawatsuk	Director / Member of Executive Director
7. Ms.Neeracha Panboonhom	Director / Chairman of Executive Committee / President & CEO
8. Mrs.Suthida Karuedetkosol	Director / Member of Executive Committee / Assistant Vice President

The authorized directors of the Company are Mr. Apsit Rujikeatkamjorn, Mr. Suraphon Meesathien, Mr. Prompong Chaisrisawatsuk, Miss Neeracha Panboonhom and Mrs. Suthida Karuedetkosol, 2 of these 5 directors jointly sign with company seal. Mrs. Saowanee Sutthitham is the Company Secretary.

Scope of Authority and Duty of Chairman

To ensure the clear division of duties of Seaoil' s policy formulation and Seaoil' s operation the Company stipulates that the Chairman and the President must not be the same person. The Chairman's duties and responsibilities include the following:

1. Call Director Board meetings, chair Board meetings, as well as set meeting agenda in collaboration with the President.
2. Attend chair Board meetings and shareholders' meetings, ensure efficient meetings in compliance with Seaoil's rules and regulations.
3. Encouraging directors to express their independent views with adequate information provided.
4. Encourage the Board to work with their utmost ability, based on their duties and responsibilities, under corporate governance.
5. Supervise and follow up the work of the Board and other sub-committees to ensure that Seaoil' s objectives are reached.
6. Cast a decisive vote in Board meetings in case of equal votes of both sides.



Scope of authority and duty of Board of Director

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.

Sub-committees

The Director of Board has appointed four standing Sub – committees (Audit committee, The Nomination and Remuneration Committee, Corporate Governance Committee and Executive Committee) as detailed below :

Audit Committee

As of 31 December 2017, The member of Audit Committee are 3 independent directors as follow:-

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's 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. Review the efficiency and effectiveness of risk management, including whistle blowing, encouraging directors to propose the matters to the solve problems.

9. 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 a term for holding office as their directorship of the Director of Board committee. The member of audit committee who retired by rotation is eligible for reappointment.

Nomination and Remuneration Committee

The Board of Directors Meeting No. 2/2015 held on February 25, 2015 has approved the appointment of the Nomination and Remuneration Committee with the responsible in defining guidelines and policies for nomination and remuneration of directors and committees. Whoever appointed are the appropriate and transparent, including recruit, select and offer the right person for the position of Board of Director and committees. According to perform responsibility as assigned and presented to the Board of Directors and / or the shareholders' meetings. The Company has 3 members of this committees as follow:-

Name	Position
1. Mr.Taweep Soontornsingha	Chairman of Nomination and Remuneration Committee
2. Mr.Suraphon Meesathien	Member of Nomination and Remuneration Committee
3. Dr.Chalermwit Chimtragoon	Member of Nomination and Remuneration Committee

Secretary of Nomination and Remuneration Committee: Mrs. Saowanee Sutthitham

Scope of authority and duty of the Nomination and Remuneration Committee

1. Nomination

(1) Consider organization structure and composition of the Board of Director to be appropriate with business environment.



(2) Setting guidelines and policies in nominating Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.

(3) Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired and/or became vacant, including newly appointed director.

(4) Searching, selecting and proposing appropriate persons to assume the position of Managing Director and Executive Committees

(5) Executing other tasks related to nominations as assigned by the Board of Directors.

(6) Evaluating the performance of the top management and reporting to the Board of Directors for their consent.

2. Remuneration

(1) Preparing guidelines and policies in determining the Board of Directors and other sub-committees' remuneration, and proposing it to the Board of Directors and/or Shareholders' Meeting for approval as appropriate.

(2) Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.

(3) Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders' Meeting.

(4) Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.

(5) Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors.

Nomination and Remuneration Committee directly reports to the Board of Directors which has the office term of three years. Resigned committee may be re-appointed as the Board of Directors see as appropriate.

Corporate Governance Committee

The Board of Directors Meeting No. 3/2016 held on March 18, 2016 has approved the appointment of the Corporate Governance Committee (CGC) to support the Board's performance. In determining the criteria and good practices in company to comply with the corporate governance policy, in line with the principles of listed companies in the Stock Exchange of Thailand. It also promotes and supports personnel at all levels of the Company. Adherence to and compliance with corporate governance principles and business ethics for sustainability growth of company. As efficient, transparent and verifiable management from shareholders, stakeholders, investors, stakeholders.

The Company has 3 members of this committees as follow:-

Name	Position
1. Mr.Taweep Soontornsingha	Chairman of Corporate Governance Committee
2. Mr.Suraphon Meesathien	Member of Corporate Governance Committee
3. Dr.Chalermwit Chimtragoon	Member of Corporate Governance Committee

Secretary of Corporate Governance Committee : Mrs. Saowanee Sutthitham



Scope of authority and duty of the Corporate Governance Committee

1. Formulate policies and guidelines for corporate governance including consistency review corporate governance policy
2. Supervise, provide advice and follow up to comply with the Company's corporate governance policy, ethics and code of conduct including social and environmental responsibility and corporate sustainability operations.
3. Perform other duties as assigned by the Board of Directors.

The Executive Committee

As of 31 December 2017, The member of Executive Committee are 6 directors as follow:-

Name	Position
1. Mrs. Neeracha Panboonhom	Chairman of Executive committee
2. Mr. Prompong Chaisrisawatsuk	Executive committee
3. Mrs. Suthida Karuedetkosol	Executive committee
4. Mr. Chayawat Teekamitree	Executive committee
5. Mrs. Kusuma Vannapruk	Executive committee
6. Mrs. Siranee Komintarachat*	Executive committee

* Mrs. Siranee Komintarachat was appointed as The Executive Committee, from Board of Director Meeting 1 / 2017, on 21 February 2017

Secretary of Executive committee : Mr. Chanodom Areerob

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.

Management

As of 31 December 2017, The member of Management are 6 members as follow:

Name	Position
1. Mrs. Neeracha Panboonhom	President & Chief Executive Officer
2. Mrs. Suthida Karuedetkosol	Assistant Vice President
3. Mrs. Kusuma Vannapruk	Chief Financial Officer
4. Mr. Chayawat Teekamitree	Sales Manager
5. Mrs. Siranee Komintarachat	Customer Services Manager
6. Mr. Vatchara Vutiputanunt	Quality Assurance and Customer Relationship Management Manager

Scope of authority of Managing Director

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 4/2012, there's a resolution appointing Mrs. Saowanee Sutthitham to take position of company secretary since 14 May 2012 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 2008 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



The Board of Director Meeting

Participant of meeting of The Board of Director concluded as follow:

Director Name	Year 2017 (Meeting Attendance / All of Meeting Times)
1. Mr.Apsit Rujikeatkamjorn	7 / 7
2. Mr.Taweep Soontornsingha	7 / 7
3. Assoc.Prof.Dr.Ruth Banomyong	7 / 7
4. Dr.Chalermwit Chimtragoon	7 / 7
5. Mr.Suraphon Meesathien	7 / 7
6. Mr.Prompong Chaisrisawatsuk*	6 / 7
7. Mrs.Neeracha Panboonhom	7 / 7
8. Mrs. Suthida Karuedetkosol	7 / 7

*Remark : Mr.Prompong Chaisrisawatsuk absent from BOD meeting 6 / 2017 with personal business in foreign

Participant of meeting of The audit committee concluded as follow:

Name	Year 2017 (Meeting Attendance / All of Meeting Times)
1. Assoc.Prof.Dr. Ruth Banomyong	6 / 6
2. Mr. Taweep Soontornsingha	6 / 6
3. Dr. Chalermwit Chimtragoon	6 / 6

Participant of meeting of The Nomination and Remuneration committee and The Corporate Governance committee concluded as follow:

Name	Year 2017 (Meeting Attendance / All of Meeting Times)	
	The Nomination and Remuneration committee	The Corporate Governance committee
1. Mr.Taweep Soontornsingha	1 / 1	1 / 1
2. Mr. Suraphon Meesathien	1 / 1	1 / 1
3. Dr. Chalermwit Chimtragoon	1 / 1	1 / 1

Participant of meeting of The executive committee concluded as follow:

Name	Year 2017 (Meeting Attendance / All of Meeting Times)
1. Mrs. Neeracha Panboonhom*	10 / 12
2. Mr. Prompong Chaisrisawatsuk	12 / 12
3. Mrs. Suthida Karuedetkosol	11 / 12
4. Mrs. Kusuma Vannapruk	12 / 12
5. Mr. Chayawat Teekamitree	12 / 12
6. Mrs. Siranee Komintarachat**	10 / 12

*Remark : from Mrs. Neeracha Panboonhom absent from Ex - com meeting 10/2017 and 11/2017 with maternity leave

Mrs. Suthida Karuedetkosol from Ex - com meeting 10/2017 with maternity leave

**Remark : from Mrs. Siranee Komintarachat was appointed as The Executive Committee, from Board of Director Meeting 1 / 2017, on 21 February 2017



Remuneration of Directors and Management

The Annual General Meeting 2017 on April 28, 2017 to approve determined remuneration of directors and sub-committee for year 2017 by total in the limits 8 million baht, consisting of monthly compensation, meeting allowance and bonus, with the same remuneration structure as the year 2017.

as follow:

Remuneration consist of

1. Monthly remuneration
 - The Chairman receives 33,000 baht per month
 - A Member receives 27,500 baht per month
2. Meeting allowance
 - The Chairman of Audit Committee receives 20,000 baht per meeting time
 - A Member of Audit Committee receives 15,000 baht per meeting time
 - The Chairman of Nomination and Remuneration Committee receives 20,000 baht per meeting time
 - A Member of Nomination and Remuneration Committee receives 15,000 baht per meeting time
 - The Chairman of Corporate Governance Committee receives 20,000 baht per meeting time
 - A Member of Corporate Governance Committee receives 15,000 baht per meeting time
 - The Chairman of Executive Committee receives 16,500 baht per meeting time
 - A Member of Executive Committee receives 11,000 baht per meeting time

3. Remuneration of Authority signature (Besides of monthly remuneration) for the authority director receives 11,000 baht per person per month

4. Bonus depends on Performance

The Board of Director, The Audit Committee and The Nomination and Remuneration Committee's remuneration concluded as follow:

Director Name	Remuneration of Year 2017 (Unit : Baht)					
	Remuneration	Meeting Fee of Audit Committee	Meeting Fee of Nomination and Remuneration Committee	Meeting Fee of Corporate Governance	Bonus	Total
1. Mr.Apsit Rujikeatkamjorn	528,000	-	-	-	-	528,000
2. Mr.Taweep Soontornsingha	330,000	90,000	20,000	20,000	-	460,000
3. Assoc.Prof.Dr.Ruth Banomyong	330,000	120,000	-	-	-	450,000
4. Dr.Chalermwit Chimtragoon	330,000	90,000	15,000	15,000	-	450,000
5. Mr.Suraphon Meesathien	462,000	-	15,000	15,000	-	492,000
6. Mr.Prompong Chaisrisawatsuk	462,000	-	-	-	-	462,000
7. Ms.Neeracha Panboonhom	462,000	-	-	-	-	462,000
8. Mrs. Suthida Karuedetkosol	462,000	-	-	-	-	462,000
Total	3,366,000	300,000	50,000	50,000	-	3,766,000

Remuneration of Management

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

Remuneration of Management	2017
	Amount (Million Baht)
Wage, Bonus, Position allowance, Overtime wage and Allowance	18.5
Other Remuneration such as Social Security Fund and other welfare.	0.8
Total	19.3



Number of officers Number of officers

As of December 31, 2017, the company had number of officers (excluding directors and management) as follows:

The officers in each department	Number of officers
Sales Department / Customer Service Department	15
QA & CRM Department	5
Finance and Accounting Department / Admin	19
Procurement	1
Investment	1
Compliance and Company Secretary / Secretary	5
Operation (Production & Engineer)	30
Total	76

Remuneration of officer

Remuneration of Officers	Year 2017 Amount (Million Baht)
Wage, Bonus, Position allowance, Overtime wage and Allowance	36.8
Other Remuneration such as Social Security Fund and other welfare.	2.7
Total	39.5





Directors



Mr. Apisit Rujikeatkamjorn

Chairman



Mr. Taweep Soontornsingha

Vice-Chairman
Independent Director
Member of Audit Committee
Chairman of Nomination and Remuneration Committee
Chairman of Corporate Governance Committee



Assoc. Prof. Dr. Ruth Banomyong

Independent Director
Chairman of Audit Committee



Dr. Chalermwit Chimtragoon

Independent Director
Member of Audit Committee
Member of Nomination and Remuneration
Member of Corporate Governance



Mr. Suraphon Meesathien

Director
Member of Nomination and Remuneration
Member of Corporate Governance



Mr. Prompong Chaisrisawatsuk

Director
Member of Executive Committee



Ms. Neeracha Panboonhom

Director
Chairman of Executive Committee
President & CEO



Mrs. Suthida Karuedetkosol

Director
Member of Executive Committee
Assistant Vice President





Directors / Management and Company Secretary Profile (As of 31 December 2017)



Mr. Apisit Rujikeatkamjorn

Chairman

Age 72 years

Appointed : 28 July 2011

Percentage of Shareholding : 2.79% (15,426,900 shares)
Educational and Seminar

- Master of Engineer (Civil Engineering) , Lamar University, Texas, USA
- Bachelor of Engineer, Khon Kaen University
- Director Accreditation Program (DAP) Class 27 / 2004
- Finance for Non-Finance Director (FND) Class 24 / 2005
- Understanding the Fundamental of Financial Statements Program (UFS) Class 5 / 2006
- Audit Committee Program (ACP) Class 22 / 2008
- The Role of Chairman Program (RCP) Class 26 / 2011
- Director Certification Program (DCP) Class 166 / 2012

Relation among Family with other Directors, Management, Major Shareholders of the Company or Subsidiaries : None

Work Experience

2011 - Present	Chairman Sea Oil PCL. Fuel Business
2017 - Present	Chairman Lao Agro Tech PCL. (Lao PDR) Manufacture of Palm Oil
2017 - Present	Chairman Global House Cambodia Co.,Ltd (Cambodai) Construction materials
2015 - Present	Chairman D.T.C. Enterprise Co.,Ltd. GPS system service
2015 - Present	Chairman OPG Tech Co.,Ltd. Manufacture of Palm Oil
2014 - Present	Chairman Siam Global House International Co.,Ltd. Investment Business
2014 - Present	Chairman / Independent Director Asia Green Energy PCL. Import and wholesale coal solid fuel
2014 - Present	Chairman Asia Biomass PCL. Wholesale of Solid Fuel
2011 - Present	Chairman Eco Lighting Co.,Ltd. Wholesale of lighting
2008 - Present	Chairman / Independent Director Siam Global House PCL. Wholesale of other Construction Materials
2011 - 2014	Director / Member of AC Thai Oil PCL. Oil Refinery Business
2009 - 2014	Director Sakari Resources Limited (Register at Singapore) Coal Business
2009 - 2013	Independent Director / Chairman of AC Thai Rotary Engineering PCL. Material Products and Construction Service
2008 - 2013	Chairman PEA (Thailand) PCL. Construction Business
2006 - 2013	Director Thai Lube Base PCL. Manufacture of other petroleum products

Board Member / Management in Listed Company - The Stock Exchange of Thailand

- Siam Global House PCL.
- Asia Green Energy PCL.

Board member / Management in Non-Listed Company - The Stock Exchange of Thailand Position in Other Organizations / Institutions

- Eco Lighting Co.,Ltd.
- OPG Tech Co.,Ltd.
- D.T.C. Enterprise Co.,Ltd.
- Siam Global House International Co.,Ltd.
- Asia Biomass PCL.
- Lao Agro Tech PCL. (Lao PDR)
- Global House Cambodia Co.,Ltd (Cambodai)





Mr. Taweeep Soontornsingha

Vice-Chairman / Independent Director / Member of Audit Committee / Chairman of Nomination and Remuneration Committee / Chairman of Corporate Governance Committee

Age 67 years

Appointed : 28 July 2011

Percentage of Shareholding : None

Educational and Seminar

- 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
- Audit Committee Program (AAP) Class 17 / 2015
- Role of the Compensation Committee (RCC) Class 20 / 2015
- The New Auditor Report: Understanding Key Audit Matters Program

Relation among Family with other Directors, Management, Major

Shareholders of the Company or Subsidiaries : None

Work Experience

2011 - Present Vice-Chairman / Independent Director / Member of AC / Chairman of NRC / Chairman of CG Sea Oil PCL. Fuel Business

Board Member / Management in Listed Company - The Stock Exchange of Thailand : None

Board member / Management in Non-Listed Company - The Stock Exchange of Thailand Position in Other Organizations / Institutions : None



Assoc. Prof. Dr. Ruth Banomyong

Independent Director / Chairman of Audit Committee

Age 50 years

Appointed : 28 July 2011

Percentage of Shareholding : None

Educational and Seminar

- Doctor of Philosophy (International Logistics), Cardiff University, Wales, United Kingdom
- Master of Laws (International Business Law), Universite de Paris I, Pantheon-Sorbonne, France
- Bachelor of Law (International Law), Universite de Paris I, Pantheon-Sorbonne, France
- Bachelor of Economics, Lycee Michelet, France
- Post-Graduate Diploma in Social Science Research Methods, Cardiff University, Wales, United Kingdom
- Diploma in translating English-French legal terms, Paris Institute of Comparative Law, France
- Director Certification Program (DCP) Class 103 / 2008
- Audit Committee Program (ACP) Class 13 / 2006
- Director Accreditation Program (DAP) Class 44 / 2005

Relation among Family with other Directors, Management, Major

Shareholders of the Company or Subsidiaries : None

Work Experience

- | | |
|----------------|---|
| 2011 - Present | Independent Director / Chairman of AC Sea Oil PCL. Fuel Business |
| 2014 - Present | Independent Director / Chairman of AC Wice Logistic PCL. Freight Forwarding and Customs Agent |
| 2016 - Present | Independent Director / Chairman of AC C.P.L. Group PCL. Tanning and Dressing of Leather |
| 2016 - Present | Director Global Allsights Co.,Ltd. Other Management Consultancy Activities |
| 1996 - Present | Director Living Head Quarter Co.,Ltd. Interior Business |
| 1993 - Present | Faculty Instructor Thammasat University Education |
| 2013 - 2015 | Director Wice Freight Services (Thailand) Co.,Ltd. Freight Forwarding and Customs Agent |
| 2011 - 2013 | Independent Director Charoensin Property Co.,Ltd. Real Estate Business |

Board Member / Management in Listed Company - The Stock Exchange of Thailand :

- Wice Logistic PCL.
- C.P.L. Group PCL.

Board member / Management in Non-Listed Company - The Stock Exchange of Thailand Position in Other Organizations / Institutions

- Living Head Quarter Co.,Ltd.
- Global Allsights Co.,Ltd.





Dr. Chalermwit Chimtragoon

**Independent Director / Member of Audit Committee /
Member of Nomination and Remuneration / Member of
Corporate Governance**

Age 68 years

Appointed : 28 July 2011

Percentage of Shareholding : None

Educational and Seminar

- Doctoral of 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 Accreditation Program (DAP) Class 92 / 2011
- Director Certification Program (DCP) Class 158 / 2012
- Audit Committee Program (ACP) Class 42 / 2013
- Financial Statements for Directors (FSD) Class 23 / 2014
- Advanced Audit Committee Program (AAP) Class 17 / 2015
- Role of the Compensation Committee (RCC) Class 20 / 2015
- Cyber Incident Management for Executive Committees of Listed Companies Program

Relation among Family with other Directors, Management, Major Shareholders of the Company or Subsidiaries : None

Work Experience

- | | |
|----------------|--|
| 2011 - Present | Independent Director /Member of AC /Member of NRC /Member of CG Sea Oil PCL. Fuel Business |
| 2009 - Present | Chairman of Project "Director Instructor and Staff Development" (Master of Education) Rajapark Institute Education |
| 2006 - Present | Special instructor / Consultant University Education |

Board Member / Management in Listed Company - The Stock Exchange of Thailand : None

Board member / Management in Non-Listed Company - The Stock Exchange of Thailand Position in Other Organizations / Institutions : None



Mr. Suraphon Meesathien

**Director / Member of Nomination and Remuneration /
Member of Corporate Governance**

Age 64 years

Appointed : 28 July 2011

Percentage of Shareholding : 0.53 % (2,933,329 shares)

Educational and Seminar

- 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
- Role of the Compensation Committee (RCC) Class 20/2015
- Risk Management Certificate Program, Chula Unisearch, Chulalongkorn University Class 10
- Cyber Incident Management for Executive Committees of Listed Companies Program

Relation among Family with other Directors, Management, Major Shareholders of the Company or Subsidiaries : None

Work Experience

- | | |
|----------------|---|
| 2011 - Present | Director / Member of NRC / Member of CG Sea Oil PCL. Fuel Business |
| 2007 - Present | Managing Director Nathalin Co.,Ltd. Marine Transport |
| 2011 - Present | Director Nathalin Shipping Pte. Ltd. (Singapore) (The old name "Nathalin Offshore PTE Ltd.") Marine Transport |
| 2009 - Present | Vice Chairman Thai Ship Owners' Association Marine Transport |
| 2007 - Present | Director Prima Marine Co.,Ltd. (Nathalin Offshore Co.,Ltd.) Marine Transport |
| 2011 - 2017 | Director Khunnathee Co.,Ltd. Marine Transport |
| 2014 - 2016 | Director N.L.T. Marine Co.,Ltd. Marine Transport |
| 2011 - 2016 | Director TMN Co.,Ltd. Marine Transport |
| 2006 - 2016 | Director Golden Ship Supply Co.,Ltd. Transport equipment |

Board Member / Management in Listed Company - The Stock Exchange of Thailand

- Prima Marine PCL. (The Old Name Nathalin Offshore Co.,Ltd.)

Board member / Management in Non-Listed Company - The Stock Exchange of Thailand Position in Other Organizations / Institutions

- Nathalin Co.,Ltd.
- Khunnathee Co.,Ltd.
- Nathalin Shipping Pte. Ltd. (Singapore) (The old name "Nathalin Offshore PTE Ltd.")
- Thai Ship Owners' Association





Mr. Prompong Chaisrisawatsuk

Director / Member of Executive Committee

Age 51 years

Appointed : 28 July 2011

Percentage of Shareholding : 0.53 % (2,933,329 shares)

Educational and Seminar

- Master in Finance, Thammasat University
- Bachelor of Engineer, Chulalongkorn University
- Director Accreditation Program (DAP) Class 97 / 2012

Relation among Family with other Directors, Management, Major Shareholders of the Company or Subsidiaries : None

Work Experience

- | | |
|----------------|---|
| 2005 - Present | Director / Member of Executive Committee
Sea Oil PCL. Fuel Business |
| 2012 - 2016 | Director Top-NTL PTE Ltd. (Singapore) Trust Management (Trustee Manager) |
| 2012 - Present | Director Nathalin Co.,Ltd. Marine Transport |
| 2005 - 2014 | Director Khunnathee Co.,Ltd Marine Transport |
| 2007 - Present | Director / Member of Executive Committee /
Member of Risk Committee Prima Marine PCL.
(The Old Name Nathalin Offshore Co.,Ltd.)
Marine Transport |
| 2011 - Present | Director Nathalin Shipping Pte. Ltd.
(Singapore) (The old name "Nathalin
Offshore PTE Ltd.") Marine Transport |
| 2012 - Present | Director TATE Offshore Co.,Ltd (Malaysia)
Trust Management |
| 2016 - Present | Director Winchai Co.,Ltd. Alternative Energy |
| 2005 - 2014 | Director Khunnathee Co.,Ltd. Marine Transport |
- Board Member / Management in Listed Company - The Stock Exchange of Thailand**
- Prima Marine PCL. (The Old Name Nathalin Offshore Co.,Ltd.)
- Board member / Management in Non-Listed Company - The Stock Exchange of Thailand Position in Other Organizations / Institutions**
- Nathalin Co.,Ltd.
 - Nathalin Shipping Pte. Ltd. (Singapore) (The Old Name "Nathalin Offshore PTE Ltd.")
 - TATE Offshore Co.,Ltd (Malaysia)
 - Winchai Co.,Ltd.



Ms. Neeracha Panboonhom

Director / Chairman of Executive Committee / President & CEO

Age 36 years

Appointed : 28 July 2011

Percentage of Shareholding : 0.79% (4,400,000 shares)

Educational and Seminar

- 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
- Industrial and Investment Development for Executive (IBID) Class 2 / 2015
- Risk Management program for Corporate Leader (RCL) Class 4 / 2016

Relation among Family with other Directors, Management, Major Shareholders of the Company or Subsidiaries : None

Work Experience

- | | |
|----------------|---|
| 2011 - Present | Director / Chairman of Executive Committee /
President & CEO Sea Oil PCL. Fuel Business |
| 2015 - Present | Director / MD Sea Oil Petroleum PTE. LTD.
(Register at Singapore) Fuel Business |
| 2015 - Present | Director Sea Oil Offshore Ltd.
(Register at Labuan, Malaysia) Fuel Business |
| 2014 - Present | Director / MD Sea Oil Energy Ltd.
(Register at Bermuda) Investment Business |
| 2012 - Present | Director Nathalin Co.,Ltd. Marine Transport |
| 2016 - Present | Director Seaoil Petrochemical Company
imited (The Old Name "Nakornchai Prakarn
Chemical Company Limited") Distillation
(Condensate Splitter) |
| 2017 - Present | Director Living Energy Co.,Ltd. and Subsidiaries
Production and Distribution of Electric Energy |
| 2012 - 2015 | Director United Offshore Aviation Co.,Ltd.
Air Transport |
| 2012 - 2013 | Director Nathalin Offshore Co.,Ltd.
Marine Transport |
| 2012 - 2013 | Director Nathalin Management Co.,Ltd.
Ship Management |
| 2009 - 2013 | Director Nail Aholic Co.,Ltd.Spa and Massage Salon |
- Board Member / Management in Listed Company - The Stock Exchange of Thailand : None**
- Board member / Management in Non-Listed Company - The Stock Exchange of Thailand Position in Other Organizations / Institutions**
- Nathalin Co.,Ltd.
 - Sea Oil Petroleum PTE. LTD.
 - Sea Oil Offshore Ltd.
 - Sea Oil Energy Ltd.
 - Seaoil Petrochemical Company Limited
 - Living Energy Co.,Ltd. and Subsidiaries

Note : Subsidiaries (Sunny Solar Co.,Ltd., Sun Link Power Co.,Ltd., Solar Town Co.,Ltd., Sky Solar Power Co.,Ltd., Sky Solar Roof Co.,Ltd., NW Green Power Co.,Ltd., NW Solar Co.,Ltd., NW Energy Co.,Ltd.)





Mrs.Suthida Karuedetkosol

Director / Member of Executive Committee / Assistant Vice President

Age 36 years

Appointed : 12 May 2016

Percentage of Shareholding : 0.02% (100,570 shares)

Educational and Seminar

- Master of International Business Management , London South Bank University, London, UK
- Bachelor of Business Administration, Assumption University
- Director Accreditation Program (DAP) Class 132 / 2016
- Corporate Governance for Executives (CGE) Class 6 / 2016
- Director Certification Program (DCP) Class 245 / 2017
- Risk Management program for Corporate Leader (RCL) Class 4 / 2016

Relation among Family with other Directors, Management, Major Shareholders of the Company or Subsidiaries : None

Work Experience

2011-Present	Director / Member of Executive Committee / Assistant Vice President Sea Oil PCL. Fuel Business
2016 - Present	Director Sea Oil Petroleum PTE. LTD. (Register at Singapore) Fuel Business
2016 - Present	Director Sea Oil Offshore Ltd. (Register at Labuan, Malaysia) Fuel Business
2016 - Present	Director Sea Oil Energy Ltd. (Register at Bermuda) Investment Business
2016 - Present	Director Seaoil Petrochemical Company Limited (The Old Name "Nakornchai Prakarn Chemical Company Limited") Distillation (Condensate Splitter)
2017 - Present	Director Living Energy Co.,Ltd. and Subsidiaries Production and Distribution of Electric Energy
2014 - 2016	Managing Director Srithai Capital Company Limited Marine Transport
2014 - 2016	Business Development Director Nathalin Company Limited Marine Transport

Board Member / Management in Listed Company - The Stock Exchange of Thailand : None

Board member / Management in Non-Listed Company - The Stock Exchange of Thailand Position in Other Organizations / Institutions

- Sea Oil Petroleum PTE. LTD.
- Sea Oil Offshore Ltd.
- Sea Oil Energy Ltd.
- Seaoil Petrochemical Company Limited
- Living Energy Co.,Ltd. and Subsidiaries



Mrs.Kusuma Vannapruk

Member of Executive Committee / Chief of Financial Officer (CFO)

Age 50 years

Percentage of Shareholding : 0.05 % (293,329 shares)

Educational and Seminar

- Master of Business Administration (Executive), Chulalongkorn University
- Bachelor of Political Science, Thammasat University
- CFO Certification Program Class 17/2013
- Investment Consultant Refresher Course
- Basic Merger & Acquisition and Joint Venture Course
- CFO Current Issue: Forward looking Course
- Strategic CFO in Capital Market Program
- Orientation Course CFO

Relation among Family with other Directors, Management, Major Shareholders of the Company or Subsidiaries : None

Work Experience

2013 - Present	Member of Executive Committee / Chief of Financial Officer (CFO) Sea Oil PCL. Fuel Business
2015 - Present	Director Sea Oil Petroleum PTE. LTD. (Register at Singapore) Fuel Business
2015 - Present	Director Sea Oil Offshore Ltd. (Register at Labuan, Malaysia) Fuel Business
2016 - Present	Director Sea Oil Energy Ltd. (Register at Bermuda) Investment Business
2016 - Present	Director Seaoil Petrochemical Company Limited (The Old Name "Nakornchai Prakarn Chemical Company Limited") Distillation (Condensate Splitter)
2007 - 2012	Bank Manager Bangkok Bank PCL. Financial Institution

Note : Subsidiaries (Sunny Solar Co.,Ltd., Sun Link Power Co.,Ltd., Solar Town Co.,Ltd., Sky Solar Power Co.,Ltd., Sky Solar Roof Co.,Ltd., NW Green Power Co.,Ltd., NW Solar Co.,Ltd., NW Energy Co.,Ltd.)





Mr. Chayawat Teekamitree

Member of Executive Committee / Sale Manager

Age 47 years

Percentage of Shareholding : 0.03 % (109,250 shares)

Educational and Seminar

- Master of Business Administration (Marketing), Sripatum University
- Bachelor of Science, King Mongkut's University of Technology North Bangkok
- Project Management Professional Training Course
- Strategic Thinking and Planning Program
- Energy Outlook and Smart Energy Program

Work Experience

- 2012 - Present Member of Executive Committee / Sale Manager Sea Oil PCL. Fuel Business
- 2015 - Present Director / MD Sea Oil Offshore Ltd. (Register at Labuan, Malaysia) Fuel Business



Mrs. Siranee Komintarachat

Member of Executive Committee / Customer Service Manager

Age 44 years

Percentage of Shareholding : 0.08 % (371,000 shares)

Educational and Seminar

- Master of Business Administration (Marketing), Sripatum University
- Bachelor of Science, King Mongkut's University of Technology North Bangkok
- Project Management Professional Training Course
- Strategic Thinking and Planning Program
- Energy Outlook and Smart Energy Program

Work Experience

- 2010 - present Member of Executive Committee / Customer Service Manager Sea Oil PCL. Fuel Business
- 2015 - 2016 Director Sea Oil Offshore Ltd. (Register at Labuan, Malaysia) Fuel Business



Mr. Vatchara Vutiputanunt

Quality Assurance & Customer Relationship Management Manager

Age 52 years

Percentage of Shareholding : None

Educational and Seminar

- Bachelor of Business Administration (Marketing), Assumption Business Administration College (ABAC)
- Interpretation of Haccp / GMP Requirements course
- PSM Internal Audit of Chemical Hazard Management Program

Work Experience

- 2015 - Present QA & CRM Manager Sea Oil PCL. Fuel Business
- 1997 - 2014 Area Manager, Business Consultant, OE/HES Specialist, Asset Transaction Specialist, Maintenance & Construction Specialist Chevron (Thai) Co., Ltd. Fuel Business



Mrs. Saowanee Sutthitham

Compliance & Company Secretary

Age 43 years

Percentage of Shareholding : None

Educational and Seminar

- Bachelor of Business Administration (Accounting) Ramkhamhaeng University
- Company Secretary Program (CSP) Class 46 / 2012
- Advance Corporate Secretary Class 1 / 2015
- Anti-Corruption: the practical guide (ACPG) Class 31 / 2016
- Basic Merger & Acquisition and Joint Venture Program
- Software IT Asset & Cyber Incident Management

Work Experience

- 2012 - Present Company Secretary Sea Oil PCL. Fuel Business
- 2009 - 2012 Accounting & Finance Manager Educational Travel Center Co., Ltd. Travel Agent
- 2004 - 2006 Head of Compliance and Internal Audit office Dhanamitr Factoring PCL. Factoring Business



Number of shares held by the Directors, Management and Company Secretary (As of 31 December 2017)

Name	Number of Share			(%) 31 Dec 2017	Number of Share and percentage held by Spouse and Children under legal age
	31 Dec 2016	Shares increase (Decrease) during in 2016	31 Dec 2017		
1. Mr.Apisit Rujikeatkamjorn	11,223,300	4,203,600	15,426,900	2.79	None
2. Mr.Taweep Soontornsingha	-	-	-	-	None
3. Assoc.Prof. Dr.Ruth Banomyong	-	-	-	-	None
4. Dr.Chalermwit Chimtragoon	-	-	-	-	None
5. Mr.Suraphon Meesathien	2,199,997	733,332	2,933,329	0.53	None
6. Mr.Prompong Chaisrisawatsuk	2,199,997	733,332	2,933,329	0.53	None
7. Ms.Neeracha Panboonhom	3,300,000	1,100,000	4,400,000	0.79	None
8. Mrs.Suthida Karuedetkosol	75,428	25,142	100,570	0.02	None
9. Mrs.Kusuma Vannapruk	219,997	73,332	293,329	0.05	None
10. Mr.Chayawat Teekamitree	109,250	-	109,250	0.02	None
11. Mrs.Siranee Komintarachat	334,000	37,000	371,000	0.07	None
12. Mr.Vatchara Vutiputanunt	-	-	-	-	None
13. Mrs.Saowanee Sutthitham	-	-	-	-	None





Report of the Nomination and Remuneration Committee

Sea Oil Public Company Limited's Nomination and Remuneration Committee is comprised of 2 independent directors and 1 non executive director:

- | | |
|--------------------------------|---|
| (1) Mr. Taweep Soontornsingha | Chairman of the Nomination and Remuneration Committee
(Independent Director) |
| (2) Dr. Chalermwit Chimtragoon | Member of Nomination and Remuneration Committee
(Independent Director) |
| (3) Mr. Suraphon Meesathien | Member of Nomination and Remuneration Committee
(Non - Executive Director) |

The Nomination and Remuneration Committee supports the the Board of Directors under the principle of good corporate governance by setting the principle and policy of nomination and remuneration for Board of Directors and sub committees, also selecting and proposing the qualified person to be the Company Directors and the Top Management.

In 2017, the main points of Nomination and Remuneration Committee meeting are summarized below :

1. To consider the election of directors to replace those who are due to retire by rotation and propose to the Board of Directors and the Annual General Meeting of Shareholders based on the Nomination criteria, the proposed directors Qualified under the Public Limited Company Act BE 2535, knowledge, ability and experience in relevant businesses which provide beneficial advice to the company's operations. For the independent directors / Member of audit committee has fully met the qualification as required by the regulations of of the Capital Market Supervisory Board.
2. To consider the remuneration of directors and sub - committees for year 2017 under the remuneration policy and propose to the Board of Directors and the Annual General Meeting of Shareholders . The remuneration is based on directors' responsibility, the business size, business environment, performance, also compare the remuneration rate with the same industries and the same size of business.
3. To consider the performance evaluation and the remuneration of the President and Chief Executive Officer.
4. To consider the revised of the Management structure of the company and its subsidiaries in 2017 for the business expansion.
5. To consider the additional appointment of Executive Director, Top Management and Directors of Subsidiaries.
6. To Consider the updated 2017 Succession Plan.

On behalf of the Nomination and Remuneration Committee

(Mr. Taweep Soontornsingha)
Chairman of the Nomination and Remuneration Committee





Report of Corporate Governance Committee

Corporate Governance Committee of Sea Oil Public Company Limited is appointed by the Board of Directors, consisting of 2 independent directors and 1 non-executive director as follows:

- | | |
|--------------------------------|--|
| (1) Mr. Taweep Soontornsingha | Chairman of the Corporate Governance Committee
(Independent Director) |
| (2) Dr. Chalermwit Chimtragoon | Corporate Governance Committee Committee
(Independent Director) |
| (3) Mr. Suraphon Meesathien | Corporate Governance Committee (Non-Executive Director) |

The Corporate Governance Committee supports the Board of Directors in determining the criteria and good practices in various areas for the group of the Company with both the corporate governance policy and according to corporate governance principles of listed companies in the Stock Exchange of Thailand. It also promotes and supports personnel at all levels of the Company, adherence to and compliance with corporate governance principles and business ethics of the organization, to grow sustainably.

In 2017, the Corporate Governance Committee held one meeting in the following topic:

1. To consider the corporate governance plan for the year 2018, to set development guidelines of corporate governance in various areas and cover the care of all stakeholders under the good corporate governance principles
2. To consider the Annual General Meeting plan for the year 2018, to ensure that the meeting is transparent and effective as well as to protect the rights of shareholders equitably such as the opportunity for minority shareholders to propose agenda or nominate person to be elected as director. Disclosure of invitation letter and supporting documents for various agendas both in Thai and English on the company website before the meeting day to let the shareholders and investors have sufficient time to consider the details of each agenda.
3. To consider issues in developing corporate sustainability management for economy, society, and environment.
4. To consider and give advice on setting measures and guidelines for Anti-Corruption practice to show the intention of participation as a part of the Thai private sector's anti-corruption program.
5. To acknowledge the progress of the anti-corruption program during the previous year.
6. To consider the revised Corporate Governance Policy and Code of Conduct to be clear and effective to propose for Board of Directors' approval.
7. To support employees' knowledge management and training to have awareness of Social, and Environmental Sustainability and optimal use of resources.

The Corporate Governance Committee will continue developing corporate governance to comply with the code of conduct and Good Corporate Governance Policy. We believe that the governance based on good governance principles, including the responsibility for all stakeholders, will make the organization grow sustainably, also build the confidence of the shareholders and all stakeholders.

On behalf of the Corporate Governance Committee

(Mr. Taweep Soontornsingha)
Chairman of Corporate Governance Committee





Corporate Governance

The Corporate Governance Committee (CGC) was appointed by the resolution of the Board of Directors Meeting No. 3/2016 held on March 18, 2016 to support the Board of Directors performance in determining the criteria and good practices in various areas of the company to comply with the corporate governance policy. Also, promote all levels of the company to adhere and compliance with corporate governance principles and business ethics. For the organization to grow sustainably with efficient management and transparency to make stakeholders confidence in anti-corruption action.

Corporate Governance Policy

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 to create the stability and strong foundation to the company.

The Board of Directors 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
- 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 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 should 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 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 per 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 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.

5) 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.

6) 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 the company's secretary to take responsible in investor relations duty to communicate with the investors and shareholders including the analysts and related public sectors, the information provided in accordance with the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Company assigned Mrs. Saowanee Sutthitham, to take those related responsibilities. The company foresees if the company secretary is a direct communicator, the information will be highly credible and so to sustain good relation with investors. Company investors can communicate with company by 3 channels as follows:

1. Telephone +662-398-9850-1 and Fax +662-398-9852.
2. Email: ir@seaoilthailand.com
3. Website: www.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. 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 8 directors; 3 executive directors and 2 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 4 sub-committees; Audit Committee, Nomination and Remuneration Committee, The Corporate Governance 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 sub committees has been mentioned in the subjects of "Audit Committees" "Nomination and Remuneration Committees" "The Corporate Governance Committee" 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

Board of Directors has roles, duties and responsibilities as describe in the category "Management Structure", "Scope of Duties and Responsibilities of the Board of Directors"

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 2015 is presented in 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 Director and sub committees and proposes for the approval to the Nomination and Remuneration Committee 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 follow the company principles and policies which considered by Remuneration Committee. 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.



Nomination of directors and executives

The company have resolution appointed the Nomination and Remuneration Committee for the appropriate and transparent, including recruit, select and offer the right person for the position of Board of Director and committees. 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. 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:
 - 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) 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 or third person on specifying the qualified persons with the experience, knowledge, and competence beneficial for the company to be the directors or executives 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 and Appointment of CEO/President

The Board of Directors will nominate the Chairman of Executive Committee and Managing Director considered by the Nomination and Remuneration Committee based on the following criteria.

- Director of the Company follow the company regulations.
- Knowledge and experience related to the company's business.
- Leadership competency
- Been recognized in relevant business.
- Conflicts of interest concerned.

In addition, the Board of Directors has appointed sub-committees to support in business aspects as;

1. The Risk Management Committee consists of:

- 1) Chairman of Executive Committee Acting Head of Risk Management Committee
- 2) Managing Director
- 3) Chief Financial Officer
- 4) Sales Manager
- 5) Quality Assurance and Customer Relationship Manager
- 6) Customer Service Manager
- 7) Company Secretary

Their duty and responsibility are to determine the risk factors that may affect the company's operations, impact assess and defining hedges. Also, review the risk factors of the organization on annual basis. In cases where high risk factors are found, they can immediately be incorporated into the risk management process. The Risk Management Committee will report the performance to the Audit Committee on a quarterly basis.

2. Corporate Social Responsibility Committee (CSR) consists of:

- 2) Company Secretary, head of CSR Committee.
- 3) Representatives from each department. (At least one person)

Their duty and responsibility are to set guidelines of CSR Activities under the CSR Policy. In addition, the CSR Committee will set up annual activity plans, support planned activities to achieve its goals. Include follow-up and evaluation of the activity. As the CSR

team finds opportunity to improve in the activity, the correction process will be immediately action.

Further, The Risk Management Working Group and CSR work team does not compensate any benefits from the Company though company's policy is important factor to concerned in their action.

Development of Directors and Executives

The Board of Directors encourages and promotes training to educate person involved in corporate governance as Directors, Audit Committees, Management level and Company Secretary to enhance knowledge, competency and ability to increase effectiveness and efficiency in operation.

In 2017, the Board of Directors emphasized the importance of training courses in improving the roles and responsibilities of directors, especially Corporate Risk Management, Corporate Governance, Strategic Thinking and Planning, Cybersecurity, Director Certification Program (DCP), Investment Consultant Refresher, CFO Current Issue: Forward looking, Strategic CFO in Capital Market, Strategic Thinking and Planning, Energy Outlook and Smart Energy, PSM Internal Audit of Chemical Hazard Management, Technology Asset Management. The Director are also trained on topics that are consistent with world situation. To implement knowledge from the training to manage of the organization for performance improvement and develop the organization for sustainable development. (Board of Director Training Information appears in detailed as attached document)

New Director Orientation

The Board of Directors has set a new director orientation to prepare for the duty of the director. The Board will focus on the knowledge of the roles and responsibilities, nature of business, corporate overview, company policies and guidelines including good corporate governance. The Board also requires company secretary to support the new director orientation to be able to perform their duties which effective on Board of Directors

Self Assessment of the Board of Directors, Sub – committee and CEO/President

The Board of Directors has established a self-assessment on a yearly basis. The Board of Directors, Nomination and Remuneration Committee, Corporate Governance Committee, Executive Committee, Executive Chairman and CEO/President considered by the Nomination and Remuneration Committee to analyze self-assessment results for effectiveness and efficiency performance.

Self-Assessment of the Board of Directors as follows:

- 1) Structure and Qualifications of the Board Directors
- 2) Roles, duties and responsibilities of the Board Directors
- 3) The Board Meetings
- 4) Duties of Directors
- 5) Relationship with Directors
- 6) Self Development of Directors



Self-Assessment of the Sub - committee as follows:

- 1) Structure and Qualifications of the Board
- 2) The Board Meetings
- 3) Roles, duties and responsibilities of the Sub – committee

The results of the evaluation are summarized as follows.

- Board of Directors
the average score was 86.53%. (Good)
- Audit Committee
the average score was 90.75%. (Very Good)
- Nomination and Remuneration Committee
the average score was 97.31%. (Very Good)
- Corporate Governance Committee
the average score was 95.36%. (Very Good)
- Executive Committee
the average score was 83.56%. (Good)

Self - Assessment of the CEO/President as follows:

- 1) The progress of the work plan
- 2) The performance measures
- 3) Development of the CEO

The Nomination and Remuneration Committee evaluates the performance of the CEO/President, for propose to the Board of Directors for approval to consider the annual remuneration and improve the performance and achieve the objectives assigned.

Corporate Governance: Supervision of the operations of subsidiary and affiliated companies

The Company has set an investment policy and management policy for its subsidiaries and affiliated companies with the following details:

1. The Company adopts the following investment policy on subsidiaries and affiliated companies under the basis of good compliance of corporate governance principles:

1.1. The Company shall invest in businesses that are entitled to generate consistent revenue stream and profit based on a thorough feasibility analysis.

1.2. The Company shall invest in businesses that can generate sufficient cash from its operations to repay debt and interest expense.

1.3. The Company shall invest businesses that can generate reasonable returns on investment under an acceptable risk appetite set forth by the Company.

1.4. The Company shall assign experienced staff and management team with specific expertise in the subsidiary or affiliate company's operations.

1.5. The Company shall not invest in businesses with unethical or illegal business practices.

1.6. The investments in subsidiaries and affiliated companies shall be approved by the Board of Directors or shareholders of the Company under the relevant laws and rules and regulations of the Company.

1.7. The subsidiaries or affiliated companies have the duty to submit its operating financial performance to the Board of Directors on a quarterly basis.

2. The amount of investment in the subsidiaries and affiliated companies will be based on business synergy. In the case of direct valuable business synergy, the Company may invest more than 50 percent (a subsidiary of the Company). In the case of investments in other sectors, the Company may invest in 20 to 49.99 percent of the business (an affiliated company of the Company). However, the Company may review the investments in subsidiaries and affiliated companies as appropriate.

In overseeing the business operations of the Company's subsidiaries and affiliated companies, The Company shall appoint representatives of the subsidiaries and affiliated companies. The Company's representative maybe the Chairman, Board of Directors, or Top Management or other management with qualified experiences in the business field without any conflict of interest with the subsidiaries and affiliated companies. The representatives shall manage the subsidiaries and affiliated companies based on rules and regulations set forth by the Company and the laws governing the subsidiaries and affiliated companies.

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 secu-



rities 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.

The Penalty

The company has a schedule of disciplinary, For, penalties the Management and employees have violated rules, regulations, notifications or orders by the law of the company in the working regulations, Guidelines of Human Resource Department defined and declared to the management and officers acknowledge.

Audit Fee

(1) Audit Fee - In 2017 the Company and its subsidiaries paid the audit fee to PriceWaterhouseCooper ABAS limited and PWC Overseas in the total amount of baht 8.11 million.

(2) Non-Audit Fee - In 2017, the Company paid compensation for other services. Miscellaneous expenses incurred during the operation such as travel expenses, postage, stamp duty Copyrights, etc., to companies in the PricewaterhouseCoopers group, both domestic and international, in total amount of Baht 0.17 million.

Other Good Corporate Governance Practices

Corporate Governance in 2017

1. The Company manages and performs its duties in accordance with the corporate governance policy and other policy guidelines to achieve our vision and mission in organization development, our people and our partners to meet international standards. Including the promotion of anti-corruption policy and social and environmental responsibility.

2. The Company complies with the shareholders' rights in accordance with the corporate governance

policy, such as the opportunity for shareholders to propose agenda items or nominate candidates for the shareholders' meeting. The Company has focused on disclosure and information on the Stock Exchange of Thailand's website and company website to ease shareholders to access information and news which in line with Section 1, Rights of Shareholders and Section 4, Disclosure and Transparency per the Corporate Governance Policy

3. In 2017, the company promoted anti-corruption policy. And raise the anti-corruption policy to be stronger. By providing channels of feedback in various channels, such as by mail, email, website and suggestions box and complaints within the company. The company has a measure to protect and keep the confidentiality of the complainant. In addition, the company communicate in this concerned policy which corresponds to Section 3 Role of Stakeholders.

Anti-Corruption Policy

Sea Oil Public Company Limited shall strive to operate its business in a way which demonstrates its compliance with ethical and good corporate governance standards by upholding the principles of good governance as well as code of conduct and business ethics; displaying responsibility toward the society, the environment and every group of stakeholders; and conducting business in transparent, fair and verifiable manner. The Company therefore joined “Private Sector Collective Action Coalition Against Corruption (CAC)” to demonstrate its clear intention and commitment in fighting against all forms of corruption, including establishing clear Anti-Corruption Policy and related practice as follow:

Definition

Corruption means a behavior in which one performs or refuses to perform the assigned duties or misuses ones position or power to dishonestly or unlawfully seek any types of personal interests such as offering or accepting bribery, proposing an offering, promising or agreeing to give, demanding or accepting money, assets or other inappropriate benefits from government officers, government sectors, private sectors or any other related parties so that such person could proceed or disregard his/her function in order to acquire the business or achieve any improper benefits in business transactions with the exception of the cases in which it is permitted by law, regulation, statement, standard, custom or business tradition.

Anti-Corruption Policy and Related Practice

The Company shall not tolerate any forms of corruption and shall be applicable to all businesses and transactions in every country worldwide and every relevant function. The Board of Directors, the Management and employees of Sea Oil Public Company Limited including subsidiaries must strictly comply with the defined Anti-Corruption Policy and are prohibited from being involved with any forms of corruption either directly or indirectly in dealing with high-risk corruption. Executives and all employees should cautious



on political contributions, donations, sponsorships, gifts and entertainment.

Measures and Communication Channels for Whistleblowing/ Complaints

The Company has determined measures for whistleblowing or raising complaints concerning any misconduct done by any director, executive or employee within the organization that is in violation of the laws, Code of Business Ethics or any behavior that may lead to corruptions. Various channels of communication have been provided so that the employees and stakeholders can conveniently and appropriately report incidents or raise complaints with the Company. The whistleblower or complainant must notify the details of the incident or complaint including their contact address and phone number through the provided channel.

- Postal mail

For Attention of the Chairman of the Board of Directors or the Chairman of Audit Committee

SEA OIL PUBLIC COMPANY LIMITED

88 Soi Bangna-Trad 30, Bangna-Trad Road, Bangna, Bangna Bangkok 10260

- E-mail

- The Chairman of Audit Committee: ruth@banomyong.com
- The Chairman of Corporate Governance Committee / Independent Director / A Member of Audit Committee: pongandeat@hotmail.com
- Independent Director / A Member of Audit Committee: drwit777@gmail.com
- Compliance and Company Secretary Office: compliance@seaoilthailand.com
- The Company's website: www.seaoilthailand.com
- Suggestion / comments / complaints box available within the Company

Protection and Confidentiality

The Company has developed and implemented personal information protection measure to protect the whistleblowers and informants. Under such measure, the Company shall not disclose the identity, address or any other information pertaining to the whistleblower or informant and shall treat such information as confidential and only authorized persons involved in the investigation procedure can have access to such information. In the event, there has been a report of an act of corruption by an executive or top management, the Audit Committee shall be responsible for ensuring the protection of the whistleblower or complainant, including the witnesses and informants throughout investigation period so that they are safe from any danger, harm or mistreatment due to whistleblowing or raising a complaint or being a witness or for disclosing any information. Any person authorized to be responsible for such matter must strictly maintain the confidentiality of all relevant information and documentation concerning the complainant and informant and must not disclose such information to any irrelevant parties unless it is required by law.

Investigation procedure and penalties for fraudsters

In addition, the company has set up an investigation procedure and penalties for fraudsters, whether directors, executives, or employees, are considered offenses anti-corruption policy, will be consider in disciplinary accordance with the regulations prescribed by the company. And if corruption is against the law, the offender may be subject to legal penalties. Verdict of the Audit Committee is the final decision. There is no policy to reduce penalties or negative effects on employees who refuse to corrupt. Although doing so will cause the company to lose business opportunities. As well training in communication policy and channels for clues or complaints to internal and external parties, to build understanding and support to the standards of social responsibility in the against corruption.

Human Resources Development Policy

The company focus on importance of human resources and committed in developing personal competency as knowledge, skills, abilities and attitudes towards the organization. In addition, the promotion is considered to encourage the efficiency of all aspects of personnel work and to ensure that employees can perform in equivalent or higher than standard. The Company has a policy and practice, human resources and personnel development related to hiring and recruiting, line of command, wage and welfare management, working environment, promoting and personnel development.

In 2017, the Company support in personal development as public training and in-house training with experienced speakers who are knowledgeable in educating employees within the organization. The total 2,000.5 hours of training or 27.78 hours per person per hour had been indicated. With follow up of evaluation in training courses, the company verify their knowledge and skills from training by review the insights and how to apply in a practical work. At present, the company continuously promotes quality improvement projects / activities accordance with the requirements of ISO 9001 in the development of knowledgeable personnel. The Company outsourced Nathalin Co., Ltd to support human resource management in line with human resource policy and training plan.



The Company set human resources policy and human resources development, to provide employees the readiness to work and develop their knowledge-based skills to approach international standards in line with corporate mission. Which is in line with Section 3 Role of Stakeholders (Employees) in Compliance Policy.

Criteria in selecting and evaluating partners

In selecting and evaluating partners, the Company established the criteria for effective procurement process in selecting Oil trading partner based on the quality of the goods, the completeness of the delivery of the goods, including price comparison. In the Supply Management and Catering Services, the GMP, HACCP, hygienic standards of service have been defined with the service process realizes on the SSHE Awareness.

In principle of procurement, the company essentially consider the quality, reliability and service as basic criteria to qualified vendor then Approved Vendor List is updating for qualified business partners.

After receiving products and services from partners, the company evaluate quality and service received from vendor and report results of such operations to management, to maximize customer satisfaction. It also develops good relationships with partners to enhance the effectiveness of action on good governance. The Company treat the stakeholders as operates in accordance with the requirements of ISO quality management system and company policy. This in line with Section 3, stakeholder roles (business partners) in accordance with corporate governance policy.

Product and Service Delivery Standard

The company focuses on product delivery under the policy, start from qualify supplier selection process as hull-certified transporters. As legal regulations enforcement, such as the Thai Maritime Navigation Act, on the control of marine pollution. Load-Discharge Cargo Plan is in place to prepare in every oil transported.

Include in the oil delivery process, the Inspector has been assigned to supervise shipments from origin to destination and to control the operation of the bunker in accordance with the high standards in the shipment. If in case of emergency occurs, the company has defined

international standards such as the Shipboard Oil Pollution Emergency Plan (SOPEP) as part of its Shipboard Oil Pollution Emergency Plan (SOPEP). Convention on the Prevention of Pollution from Ships (International Convention for the Prevention of Pollution from Ships (MARPOL)) and has been defined as a guide to action. To ensure that the customer is confident in delivery standard as accurate, secure, and of the highest quality.

The company awarded in Logistics Management from Department of Business Development, Ministry of Commerce which recognize in good management on the document system and procedures to receipt of goods from originate to destination.

In safety aspects of food supply, raw materials and other services, the company has selected providers with international standard to provide food services. Considering the safety and hygiene aspects is important. In the preparation of food, they supply high quality of raw materials certified by the Food and Drug Administration till the stage of cooking and serve customers with maximum satisfaction.

The company has been awarded the SSHE Performance Excellence in 2013 and 2016 by PTT Exploration and Production Plc. For its services in food preparation, raw materials and other services with no accident. We can respond to the safety, security, health, and environment of our customers (PTTEP).

Social and Environmental Responsibility

The Company adheres to the framework of good corporate governance, being aware of the business conduct with social responsibility and the environment. As the company define social and environmental responsibility policy to encourage directors, executives and employees to know about Good governance policy, fair business intention, as well community participation, educational support, environmental impact of corporate activities. To create organizational culture to consciously conserve natural resources and preserve the environment. Sustain to achieve the goals and objectives, in line with Corporate Governance Policy. Chapter 3 Role of Stakeholders (Society)

Quality Policy 2017

The company has upgraded its ISO quality management system from ISO 9001: 2008 to ISO 9001: 2015 and defined 4 aspects of Quality Policy as;



1. Standard of excellent service provider; Better quality throughout the company, Process-based management, recognized as essential focused. This is properly service delivered as stated clearly on every function concerned.

2. Customer Engagement; Ability to response customer interested by providing quality service, to maximize satisfaction under transparency practice.

3. Employee Competency Focused; Technical and skill potential demonstrated employee competency to deal with all front, training and coaching technique create knowledge and employee self-development.

4. Corporate Social Responsibility; The company focuses on social responsibility under the process of environmental management standard.

Quality Assurance and Customer Relationship Management department responsible in implement and supervise throughout the Company to consistently align all function with Quality System. Continuous Quality Improvement team, a member from each department, work together in improve and develop to solving issue found. Especially social and environmental responsibility that affects the internal or external organization, community, society, environment, including all stakeholders. The Company manages the risks that result from both internal and external factors. This is a guideline for actionable impacts.

Quality, Safety, Occupational Health and Environment Policy

The directors, executives and employees of the Company and its subsidiaries follow 8 aspects of policy as;

1. Commit to operating the business in accordance with the quality policy and comply in applicable laws and regulations.

2. Enhance the quality and service to equivalent through international standard.

3. Training and competency awareness and recognition in operational risk. Also promotes a participation in social responsibility.

4. Risk Management System implement to control potential losses in various ways.

5. Delivery and Transportation process focused to meet safety standards in person and environment.

6. Promote and protect the personnel welfare in respect to each other and strengthen working relationships.

7. Established measures to prevent and suppress the possession of all kinds of drug and alcohol abuse include alcohol in the workplace.

8. Communicate for understanding of QSHE Policy both inside and outside the Company.

Non-Intellectual Property Rights and Copyright Policy

Non-Intellectual Property Rights and Copyright Policy defined as a policy that all directors, management and employees strictly request to follow. The information management frequently monitor to prevent copyright infringement in computer software. They also have the responsibility to protect and maintain the information systems of the Company. Do not allow unauthorized third parties to access the Company's information systems. If unlawful or violation of intellectual property and copyrights caused, the responsible will search, investigate, and control the use of information and communication technology of their employees.





Company Responsibility for Sustainable Development

The company is committed in develop sustainable management practices along with good governance, social and environmental responsibility and consider all stakeholders concerned. By conducting business with prudence, adhering to the Code of Conduct and operate business with transparency and transparency under the good corporate governance policy. There is risk management within the organization, internal audit in all processes for the organization to operate efficiently to establish confidence in business partners, customers, shareholders, investors or all stakeholders. Also, including participation in social development and the conservation of natural resources according to the

social and environmental responsibility policy to develop and lead the organization towards sustainability in the future and in accordance with the vision and mission of the company.

Sustainability Management Framework focus on responsibility in the economic, social and environmental aspects. Take into consideration both direct and indirect of internal and external stakeholders as shareholders, investors, employees, creditors, business partners, customers, communities, societies, or outside interested. Management strategy emphasize on key risk issues analysis which affect the business sustainability for the Company to participate in the care of all stakeholders.

Summarize of the key issues for the company's sustainable business.

Topics	Main point of sustainable development	Strategies of management	Affectation to Stakeholders
Economy Sustainability	<ul style="list-style-type: none"> • Maintain the excellency in operation • Modify the strategy for each situation • Support social economy 	<ul style="list-style-type: none"> • Maintain the quality standard of products and services • Quality Policy • Employee Development Policy • Anti-Corruption Policy 	Shareholder Investor Customer Financial Institution Society and Community
Environment sustainability	<ul style="list-style-type: none"> • Environment-friendly transportation • Awareness in environmental conservation 	<ul style="list-style-type: none"> • Safety, Occupational Health and Environment Policy • CSR Policy 	Society and Community
Society Sustainability	<ul style="list-style-type: none"> • Fairness Business • Anti Corruption • Human Rights • Customer Mind • Society and Environment Sustainability 	<ul style="list-style-type: none"> • Code of Conduct • Code of Business Conduct • Anti Corruption Policy • Conflicts of Interest Policy • Related Transaction Policy • Human Development Policy 	Customer Financial Institution Community Officer

1. Economy Sustainability

1.1 Maintain operational excellence

The company has been in the business of fuel trading for more than 20 years, with experience, reputation, and skilled personnel. The company has continued to increase revenue and to be known in the South East Asian trade



market. The company has partners as a leading manufacturer and distributor of fuel in Thailand which can fully support the sale to meet customer expectation.

The company has partners in the oil shipping fleet and gasoline carriers who have high standards of service to ensure the company has potential to deliver the quality on time. All carriers are covered by third party insurance with standardized shipping process in safety awareness on environment and communities.

The company certified in the ISO 9001 quality management system standard to strengthen reliability of its operations, from ordering, receiving, and delivering to the customer. There is also a safety and security system in delivering product from the source to the destination to provide customers with quality products and accurate to meet customer requirement.

In Supply Management, the Company provide service with international standard as to select high potential partners and resources. The company has been awarded the safety, security, health and environment by PTT Exploration and Production PLC (PTTEP), both in 2013 and year 2016, which prove the company's success.

From core business, the company model as a credible organization, skilled human resources, documentation and operating systems at the international level. As all said, the Company can expand customer market to steadily perform economic growth.

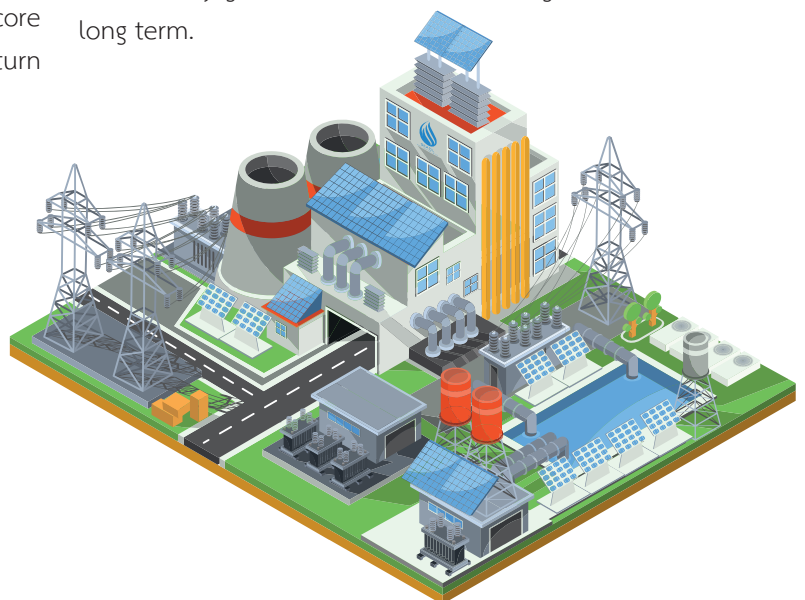
The company has Anti-Corruption policy focus on fraud-free operations in every process from executive to employee level, though the company can fully collect revenue.

The company also has a mission to expand its business portfolio. This will generate more profit for the company in the future and reduce the risk from the core business. To add value to the organization and return benefit to all stakeholders.



1.2 Modify the strategy in accordance with the situation.

Year 2017, companies in the petroleum and petrochemical industries are experience a significant drop in crude oil prices. Thus, revenue from the sale of fuel business directly affected from fluctuating oil prices. The management consider to adjust its business strategy to be consistent with the changing environment and reduce the impact on the core business of the organization. By expanding to other businesses which related to the core business such as condensate splitter business in produced and sold chemical. In 2017, the Company entered into the renewable energy business the Solar Rooftop business, the production and distribution of electricity to the MEA and PEA for potentially and stability growth of income for the organization in the long term.



1.3 Support the community Economy

The company has expanded its investment in exploration and production in Pan Orient Energy (Siam) Limited ("POES"), which has been granted a petroleum exploration and production concession in the Kamphaeng Saen District. POES has arranged social activities for people and society in the concession area, such as school supplies donation, Sports on the Children's Day 2016 in Nakhon Pathom and Suphanburi, donation of student's clothes, Huay Duan Children's Development Center, and Nakornchai Prakarn Chemical Co., Ltd. (now called "Sea Oil Petrochemicals Co., Ltd."). It is located in Amata Nakorn Industrial Estate. Amphoe Mueang Chon Buri Chonburi province, The Group has a plan to support the development of community and society in Chonburi area, such as scholarships for underprivileged children in Chonburi.

In 2017, the company and the Nathalin group have supported rice products from The Demonstration Project of the Chaipattana Foundation, who cooperated with Department of Agricultural Extension. The company supports products from Phatthapat is a New Year gifts as the way to help underprivileged in economic and social life to improve the quality of life.

1.4 Develop personnel to be a leading organization

The Company realized the importance of developing knowledge, ability and potential of personnel in every level of organization. By setting human resource policy and personnel development, including the development of skills needed to perform tasks. Leadership development Training plans, coaching, educational support are implemented to maximize skill development.

Encourage staff to comment or propose a corporate development approach for the company while suggestion box located in front of the office



2. Environmental sustainability

2.1 Environmentally friendly transport process

The company arranged marine carriers who have been certified by the Hull Standard and strictly apply to the law which there are standards of safety, occupational health and the environment. The carriers have a shipment schedule for marine fuels to ensure the quality of transportation align with the law of the Thai Maritime Navigation Act on Marine Pollution Control. The Company has an inspector to supervise the delivery from the source to the destination. The inspector will manage the shipment to meet the standards of safety in life and the environment. In event of emergency, there are international standards such as oil leakage during shipment. The carrier will have a Boom Oil to prevent oil spills extent to ensure that no pollution is going to the environment.

2.2 Environmental awareness

The Company promotes corporate social responsibility and environmental responsibility training start with the orientation of directors and new employees. It is also instilled in the management and employees to have consciously aware for the conservation of natural resources and the preservation of the environment. Management and staff have ongoing quality improvement activities that promote the conservation of natural resources and the environment, such as oil sample and packaged bottles disposal. Energy saving activities, Paper reduction activities. As example of oil sample and packaged bottles disposal, the company developed a systematic elimination process and selects high quality oil removers. Plastic bottles will be recycled in accordance with industry standards. Every step of the operation.

In 2017, the company invested a solar rooftop which does not affect natural resources, pollute the society, Community and environment. By the way, it reduce the heat from sunlight and reduce energy consumption.



3. Community Sustainable Development

3.1 Fair Business

The Company is committed in fair and ethical business practices, action to comply with the law. The company does not allow illegal practice or circumvention of the law, actions that violate intellectual property or copyright. Also, against all forms of corruption. Company policies regulate the performance to provide a framework for conducting fair business practices such as conflict of interest policy, Business Practices Policy, Anti-Corruption Policy.

In 2016, the Company has provided channels for shareholders, investors, business partners, customers, communities, employees or all stakeholders to propose their opinions, suggestions and complaints. As to report the corrupt performance of management and employees in various communication, such as by phone, by mail, by email or website, as on anti-corruption policy. The company has a confidentiality measure of the complainant. The complaint process is proposed to the Chairman of the Audit Committee or the Chairman of the Corporate Governance Committee, to consider disciplinary action or legal action against a fraudulent or committing offender. This will inform the complainant of the outcome or the progress report until the process is completed. The anti-corruption assures the organization of a transparent and fair operation, also verifiable manne

3.2 Respect and treatment in human rights

The company is focusing on labor and supporting the systematically development of human resources in every process to drive the organization efficiency by setting the priority to the knowledge development. Providing appropriate welfare and compensation to employees consider as important and the company has a policy of quality, safety, hygiene and environment, to focuses on safety and hygiene workplace during proper operation.

The company provides benefits to employees and families, such as scholarships to good performance employee's children which is an educational support for youth. The right in health insurance for the husband / wife and children of the employee in premium rate for family health coverage, and reduces the burden on employees.

There is also annual health checkup for all employees. Work and Leisure Policy to prevent employee fatigue and prevent work accidents. There is also a policy of bullying, harassment in the workplace to create a work environment and employees to respect each other. The principle of respect are basic human rights.



The company aware of basic human rights, promote respect for rights and freedoms through non-discrimination, perform equality, do not violate the rights of others, respect the rights to feedback. The Company provide communication channels to freely receive all stakeholder suggestion.

3.3 Customer or consumer responsibility

The company focuses on customer satisfaction as well making good relationships and adding value to customers. The company has a policy on loss of goods and transportation control for quality control to certain the volume of the product transit and maintain a high standard of service to maximize customer satisfaction.

The company further increased shipment and transit control standards. the inspectors are assigned to supervise the delivery from the source to destination to ensure that customers completely receive product as required. The company's standard is guaranteed by the Best Practice Award for Quality Management, Business Management, Logistics Services, from Department of Business Development, Ministry of Commerce.

For catering and service, the company service with international standards and satisfy the needs of the customer in quality, cleanliness, hygiene, safety and honest. So, the company had recognized from its customers, whose received awards for safety, security, health, and the environment.

The company realized customer responsibility as important. Therefore, it is required to assess the satisfaction of customers twice a year, with the assessment of three aspects: the ordering system. Standard of delivery and the document system standard in 2016 is divided into 5 assessment items, based on the customer's satisfaction based on the table presented. The results of the evaluation will be used to improve performance. Under the ISO 9001 quality management system, the Company complies with the requirements. Essentially service development is important. Complaints and improvements solution will comply with the company's policies.

3.4 Participation in community, social development and environmental care

The company's business practices are based on mission concerned in terms of environmental policy promotion

and social and environmental responsibility as indicated in Vision and Mission of 2016. The importance of social, environmental, and community responsibility is a duty of executive and all employees both inside and outside the organization.

As the company core business as fuel distributor and food, raw materials and other services supply to marine customers, the company is responsible for society and environment in accordance with the corporate governance policy. It is to maintain marine resources and the environment by

Customer Satisfaction Evaluation Topic	2017
Purchase Process	86.91%
Delivery Standards	91.63%
Documentation Standard	87.91%
Overall Satisfaction	89.31%

implementing the policy and business practices. The management will not allow to cause any damage to natural resources and environment, but support for social activities and empower employees at all levels to be socially responsible.

Corporate social responsibility policy required executives to comply with the law and regulations related to the business of fuel distributor both by bunker and in land service. Executives will not do anything that promotes or encourages the illegal act which socially and environmentally responsible consider as an important to continuously implemented.

CSR considered into two main aspects: process responsibility. (CSR-in-process), which the company has a quality management system defined by quality policy and social activities (CSR-after-process). The company sets a social work team to work on activities that return benefits to society, environment and community. The working group participates in activities of promote education for youth, to conserve marine natural resources, such as giving scholarships for children and youth who lack of scholarships, funding for school restoration, beach cleaning, back to the sea of sea life, etc. All activities are in line with the policy of support for education and natural healing. Also, the company seeks the opportunity to raise awareness about



the conservation of marine resources that must be done mutually with community. Also, the company supports children, young people in the seaside community and promotes ecosystems and educational of marine resources preservation.

The company focus on sustainable economic practices, social and environmental, described in sustainability report in 2017. The company provides the sustainability report of the organization to have content and details consistent with the requirements of the framework of Global Reporting Initiative (GRI)

Social and environmental responsibility policy

Social and environmental responsibility policy is a framework for the company's business operations for the directors, management and employees in the same direction. It is propose into 6 guidelines: 1) good corporate governance 2) fair business practices 3) respect for human rights / fair labor practices; 4) community participation and educational promotion; 5) environmental preservation; 6) responsibility to customers, competitors, trading partners, creditors, in line with the vision, which are related to the vision and mission of 2016

The social responsibility team is responsible to control the operation in accordance with the social and environmental responsibility policy. The company analyzes process concerned, such as delivery system, procurement inspection, and assessment of the potential risk to stakeholders at each process, for correct and prevent unintended to all parties.

Business Code of Conduct

Business code of conduct, a standard in ethical and ethical conduct of the board of directors, executives, employees and shareholders. In summary, the important details are as follows:

- Focus on honesty, transparency, fairness and the interests of the company and shareholders and do not do anything that could cause damage to the company. (In line with fair business practices)
- Act to comply with the law and rules governing the conduct of business, do not do anything in promotes illegal

practice or circumvention of the law. (corresponds to Anti-corruption)

- Management does not call or accept as well not give a bribe, to trade practice with partners and / or creditors and provide accurate information about the company. (corresponds to Anti-corruption)

- Respect for the individuality and dignity of the employee humanity, avoid any unfair action that may threaten and put pressure on the mental state of employees. (In line with respect for human rights)

- Treat employees by providing appropriate welfare and compensation. Including the importance and promotion of knowledge development and the ability of employees thoroughly and fairly. (consistent with fair treatment of workers)

- Provide quality services and maintain product quality with professional standards. Also, comply with the terms, commitments or offers that provided to customers or the public. (consistent with consumer responsibility)

- No action that could cause damage to natural resources and the environment to instill a sense of responsibility for employees at all levels in a serious responsible manner, and to instill a sense of a return values to society. (In line with environmental preservation / community or social development)

Reporting Process

The company focused on sustainable economic development practices by social and environmental policy, which set the course of action to demonstrate its economic responsibility. The company made concrete sustainability reports in 2017. With developing the Global Reporting Initiative (GRI), it provides content and details in line related with the Code of Conduct and GRI Framework Requirements.

CSR-After-Process

Activities for social and environmental benefits (CSR-After-Process)

Sea Oil Public Company Limited is a subsidiary of the Nathalin Group. The company has been working with other companies in the group to organize social events by focusing on the benefits to society such as establishing a foundation of education and conserving marine resources.



Social Activities of Sea Oil Public Company Limited in 2017

- "Children's Day and Sport Day Activities " donation by Sea Oil Public Company Limited together with the Nathalin group donated money, food, beverage and sports equipment to Pongploy Anusorn School to support children's day activities on January 13, 2017.

- "Preserve of marine Animals life" by Sea Oil Public Company Limited together with Prima Marine group On February 4, 2560 at Haad Yao, Nuea Khlong District, Krabi Province. The purpose is to preserve the marine life for a royal blessing to His Majesty King Bhumibol Adulyadej (Rama IX)

- "Save Life with Blood Donation" for the year 2017 by Sea Oil Public Company Limited and the Nathalin group. This is held two times a year on 16 February and 18 May 2017. The directors, executives, and employees of the company are involved in the project.

- "Plant to develop firefly canals" by Sea Oil Public Company Limited together with the Nathalin group. On May 20, 2017 at Mangrove forest, Si Racha District, Chonburi Province. The purpose is preserve and adaptation of ecosystems in mangrove forest areas for abundant

- " National Forest Plantation" by Sea Oil Public Company Limited together with Pan Orient Resources (Thailand) Co.,LTD. On September 19, 2017 at National Forest (Ong Phra Forest, Phurakam Forest, Khao huai Phlu Forest) Ong Phra, Dan Chang District, Suphan Buri Province. The purpose is develop forest areas, preserve the ecosystem and restore natural resources to the community and society.





งานทบทวนกิจกรรม MAI FORUM 2017



ตรวจประเมินกิจการของมิตรภาพ



งานทำบุญตบธรรม 20 ปี ของ มพจ.ซีโองค์



งานจัดประชุมผู้ถือหุ้นของ มพจ.ซีโองค์



กิจกรรมสนับสนุนงานวันเด็กแห่งชาติ



กิจกรรมปลูกป่า ณ ไร่สงวนแห่งชาติ จ.สุพรรณบุรี





Internal Control and Risk Management

In the Audit Committee meeting No. 1/2017 on 23 February 2017, the Audit Committee conducted an annual review and evaluation of corporate internal control sufficiency, which was then presented to the Board of Directors, 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 Board of Directors meeting No. 2/2017 on 23 February 2017, the Board of Directors assessed the Company's internal control system reviewed by the Audit Committee, in summary, based on the Company's internal control system assessment of 5 elements, namely 1) Control Environment 2) Risk Assessment 3) Control Activities 4) Information and Communication, and 5) Monitoring Activities. The Board of Directors views that the Company's internal control and audit systems are effective enough and suitable for current business, with continuous improvement and reasonable financial statement 2017 of Sea Oil Public Company Limited and subsidiaries that were correctly presented in Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flow, according to financial reporting standard.

Internal Control and Internal Audit

In the year 2017, the Audit Committee performed its duty with prudence and sufficient independence in expressing opinions to maximize organization benefit in accordance with the charter of the Audit Committee and the duties assigned by the Board of Directors. The Audit Committee has an opinion that The Company has an adequate system of corporate governance and internal control which appropriate for business operations. The preparation of financial statements of the Company and its subsidiaries disclosed in accordance with relevant laws and regulations. Adequate risk management. Comply with the laws, regulations and commitments related to the business operation of the Company and disclosures of related transactions under The Thai Financial Reporting Standard (TFRS). The Company has continuously improved its operation system to better quality and suit with business environment.

The Audit Committee reviewed and assessed the sufficiency of 2017 internal control of the Company and subsequently proposed to the Board of Directors in order to ensure that the Company had an appropriate and sufficient internal control for the Company business. With consideration from the internal audit report in connection with the Company's key performance management, the risk management as well as current internal control of which there was no weakness or deficiency, as summarized below:

1. Control Environment

The Board of Directors and Management have set guidelines and conducted business in accordance with the Company Code of Conduct which have been communicated and emphasized to employees of monitoring and assessment process on their performance. The Board of Directors performs the duty independently from Management in overseeing and developing internal control within the organization.

2. Risk Assessment

The Company has analyzed the risks from internal and external factors impacting the Company performance in all levels of organization, business units and departments by assessing the likelihood and impact in strategy, operation, work manual and information technology which the Company has defined clear measures and mitigations in managing the risks.

3. Control Activities

The Company has set up control activities for efficient operation to reduce the risks to acceptable risk level, such as, setting policies and procedures on finance, purchasing and overall management including clear delegation of approval authority. In addition, the Company and its employees shall operate in accordance with ISO9001 quality management system to achieve Company's Quality Policy.



4. Information and Communication

The Company realizes the importance of information and effective communication system in supporting internal Control comprising quality internal/external information related to operation and providing sufficient information for the Board of Directors' decision in company business. The Company has arranged appropriate channels in communicating with related parties and stakeholders in business performance as well as receiving feedback information, such as, customer satisfaction survey. The Company also adds whistle blowing channel that allows internal/external stakeholders to safely and securely disclose of fraudulent information to the Company.

5. Monitoring Activities

The Company always monitors and evaluates the internal control to ensure the internal control system is sufficient and appropriate and in line with quality management system. An internal audit team has been appointed to verify the work process and report to management including corrective and tracking issues which reflects the efficiency and effectiveness of operating standard.

For the compliance of internal audit system, the Audit Committee considered nominated the Company's internal audit by consideration from the independent performance, quality of audit task, knowledge and ability of profession including the approval of annual internal audit plan whereby using risk assessment and internal control pursuant to COSO standard.

The Audit Committee considered the outcome of internal audit on quarterly basis including the supervision and follow up of the adjustment or change of the performance in accordance with the Internal Auditor's recommendation on quarterly basis.

The Company determined the anti-corruption policy to be the scope of procedure in performing of the Company's directors, management including employee in order to ensure the carrying out of business in accordance with transparency, fair and able for verification as well as providing communication channel for complaint or suggestion from any person or employee.

Internal Auditor's information

In the Audit Committee meeting No. 1/2017 on 21 February 2017, the Audit Committee appointed P&L Internal Audit Company Limited the Company's main internal auditor for year 2017. The Audit Committee took into consideration the independence of performance, quality of audit, professional capabilities, as well as internal audit plan of P&L Internal Audit 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.

Year 2017, internal auditor has established an internal audit plan to monitor the operations, review the activities in accordance with the policy, adherence on good governance principles and ethics of management and employees under anti-corruption policy.

Risks will be reviewed according to risk management framework annually and comply with Quality Management System ISO 9001 which The Company has applied for re-certification simultaneously. Risk Management Committee has been appointed comprising all functional managers presided by Chairman of Executive Committee as Head of the Committee. Quarterly meetings are required to consistently assess and monitor performance-related risks, 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 in maximize customer satisfaction.





Related Party Transactions

In 2017, 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) Ended Dec 31, 2017
1. Nathalin Co., Ltd. ("Nathalin"), engaging in marine petroleum transportation business	<ul style="list-style-type: none"> - Being SEA OIL's major shareholder holding 45.05% 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) Ms. Neeracha Panboonhom 	Rental and service fee	2.58
		- 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, 2014 to May 31, 2017 with a rental and service fee of Baht 142,390.50 per month. If the contract ended and company intends to continue rental, the lease extension will do for additional 3 years. In 2015, the company leased additional 72.22 square meters, which commenced from Oct 1, 2015 to May 31, 2017, with the rental and service fees increased by 25,277 Baht per month. In 2017, the company has renewed the rental and service agreement, The lease term is 3 years, which commenced from June 1, 2017 to May 31, 2020 by 167,667.50 per month.	
		- Container Costs of Nathalin group.	0.07
		- Store documents and equipment in the container width 2.40, length 6.05, height 2.59 meters, 2 units at a rate of 3,500 baht per month per cabinet. The contract is from March 1, 2017 to February 28, 2018.	
		Car rental	
		- Car rental from Nathalin group	0.02
		- Van rental from Nathalin group by Sea Oil Petrochemical Co., Ltd.	0.02
		New Year Party Welfare	
		- From the party activities. Based on the number of employees of Sea Oil Petrochemical Co., Ltd. at the rate of 1,218 Baht per person per event.	0.02
		Lunch Welfare	
		- This is due to the company lunch allowance. Based on the number of employees at the rate of 35 Baht per day, the contract is from March 16 to December 31, 2017.	0.25
		- The Company is a major shareholder of Living Energy Company Limited ("LIV") holding 99.99% of issued and paid-up capital. Sea oil holds 45.05% of the issued paid-up capital.	
		- This is due to the LIV lunch allowance. Based on the number of employees at the rate of 35 Baht per day, the contract is from July 1, 2017 to June 30, 2018.	0.02



Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2017
Nathalin Co., Ltd. (Cont.)		- Fitness membership Fee. LIV expenses paid to Nathalin group at the rate of Baht 1,085 per month per month. Terms of service apply from 1 July 2017 to 31 December.	0.01
		Legal consultant	0.06
		- The company paid a legal consultant to Nathalin group, The service fee is 3,500 baht per hour .	
		- The company paid the legal consultant to certify and review the contract. The service fee is 3,500 baht per hour by Sea oil Offshore Ltd.	0.01
		IT management fee	2.80
		- The Company paid the management fee for Nathalin group, the contract from April 1, 2016 to March 31, 2017. The service fee was Baht 176,220 per month. At present, the Company has renewed the contract with Nathalin group. The contract start from August 1, 2017 until the end of the 3-year contract, with a monthly MIS fee of Baht 5,340 per person, and an ERP program fee of Baht 4,175 per month, all fee 313,775 Baht for a monthly. The service fee increased by the number of people who increase each year.	
		Human resource management fee	1.43
		- The company paid the management fee to the Nathalin group. The service fee is Baht 3,000 per person per month. Contract starts May 1, 2016 to April 30, 2017 and renewed for 3 months, contract ended of July 31, 2017. The contract is renewed for an additional 5 months. Contract start August 1, 2017 to Dec 31, 2017.	
		Property Tax	0.16
		- The company leased the building Nathalin B, 6th Floor area of 479.05 sq m for office premises of the company. Under the terms of the agreement, the tenant is obliged to pay this tax assessment office each year from 210 / sq. M * 12.50%.	
		Interest paid	5.01
		- A loan of Baht 300 million, bearing interest at the rate of 5% per annum, has a term of 2 years and is due on August 31, 2019. (MLR-1.25 at the date of the loan agreement)	



Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2017
Nathalin Co., Ltd. (Cont.)	The Company is a major shareholder of Living Energy Company Limited ("LIV"), representing 99.99% and LIV holds shares in subsidiaries as follows: Sunny Solar Co., Ltd., is 99.99%. Sunlink Power Co., Ltd., is 99.99%. Solar Town Co., Ltd., is 99.99%. Sky Solar Roof Co., Ltd., is 99.99%. Sky Solar Power Co., Ltd., is 99.99%. NW Solar Co., Ltd., is 99.99%. NW Green Power Co., Ltd. is 99.99%. NW Energy Co., Ltd. is 99.99%.	<p>Guarantee Fee</p> <p>- The obligation to guarantee long-term loans from financial institutions in the Guarantee Service Rate of 0.20% of the guarantee amount for</p> <p>Sunny Solar Co., Ltd., Sunlink Power Co., Ltd., Solar Town Co., Ltd., Sky Solar Roof Co., Ltd., Sky Solar Power Co., Ltd., NW Solar Co., Ltd., NW Green Power Co., Ltd. NW Energy Co., Ltd.</p> <hr/> <p>Roof rental</p> <p>- Renting a roof for solar panel installation is a long-term contract. The maximum capacity of 0.13 MW is 13,000 baht per month by Sunlink Power Co., Ltd.</p> <p>- The Company paid the building rental fee under the building lease agreement. The rental fee, the Company will receive a non-interest payment within 60 days of the expiration date of the lease. The tenant must not have any liability, includes a month advance rental and other service fees.</p> <hr/> <p>Accrued Management Fee</p> <p>- Accrued expenses include electricity, management fees, information and management fees paid to Nathalin group.</p> <hr/> <p>Trade account payables</p> <p>- The Company has entered into long-term loan agreements with financial institutions</p> <p>by : Sunny Solar Co., Ltd., Solar Town Co., Ltd., Sky Solar Roof Co., Ltd., Sky Solar Power Co., Ltd., NW Solar Co., Ltd., NW Green Power Co., Ltd. NW Energy Co., Ltd.</p> <hr/> <p>Trade account payables</p> <p>- From the party activities. Based on the number of employees of Sea Oil Petrochemical Co., Ltd. at the rate of 1,218 Baht per person per event</p>	<p>0.07 0.01 0.09 0.09 0.10 0.07 0.18 0.09</p> <hr/> <p>0.16</p> <p>0.16</p> <hr/> <p>0.22</p> <hr/> <p>0.01 0.01 0.01 0.01 0.01 0.01 0.01</p> <hr/> <p>0.02</p>



Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2017
Nathalin Co., Ltd. (Cont.)		Long-term loans - The loan of Baht 300 million with interest rate of 5 percent per year. The term is 2 years and is due on August 31, 2019. (MLR-1.25 at the date of the loan agreement)	3.00
2. N.T.L. Marine Co., Ltd. engaging in marine petroleum transportation business	- PRM holds 99.99% of the issued and paid-up share capital. Nathalin holds 99.99% of PRM that is issued and paid-up share capital and hold 45.05% of SEOIL's issued and paid-up capital.	Revenue from sale of goods - The company sells fuel and lubricants to N.T.L. Marine Co., Ltd. The sale price based on cost plus pricing method.	186.24
		- The company sells fuel and lubricants to N.T.L. Marine Co., Ltd. The sale price based on cost plus pricing method by Sea oil Offshore Ltd.	7.61
		Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days	30.95
		- Sale of fuel and lubricant products with a credit term of 30 days by Sea oil Offshore Ltd.	0.81
3. Prima Marine PCL. ("PRM") Providing petroleum and other products management services for petroleum drilling and exploration business and other businesses.	- Having a mutual shareholder, i.e. Nathalin, which holds 45.05% of SEOIL's issued and paid-up capital and directly and indirectly holds an aggregate of 99.99% of PRM's issued and paid-up capital - Having two mutual directors, Mr. Suraphon Meesathien and Mr. Prompong Chairsawatsuk	Revenue from sale of goods - SEOIL sold fuel and lubricant products to PRM with prices determined by the cost plus pricing method.	9.69
		- SEOIL sold fuel and lubricant products to PRM with prices determined by the cost plus pricing method by Sea Oil Petroleum PTE Ltd.	4.59
		- SEOIL sold fuel and lubricant products to PRM with prices determined by the cost plus pricing method by Sea Oil Offshore Ltd.	4.46
		Revenue from service - The company provides food, cleaning and laundry services for employees of oil rigs. Catering and Service fee are charged per person per day at the contract rate.	24.62
		Trade accounts receivable - Sale of fuel and lubricant products with a credit term of 30 days by Sea Oil Petroleum PTE Ltd.	0.97
		- Sale of fuel and lubricant products with a credit term of 30 days by Sea Oil Offshore Ltd.	0.78



Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2017
4. BorThorDor Co., Ltd. engaging in marine petroleum transportation business	Having a mutual shareholder, i.e. Nathalin, which holds 45.05% of SEOIL's issued and paid-up capital and directly and indirectly holds an aggregate of 18.24% of	Revenue from sale of goods - SEOIL sold fuel and lubricant products to BorThorDor Co., Ltd. with prices determined by the cost plus pricing method.	4.05
	BorThorDor Co., Ltd.'s issued and paid-up capital.	Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days	0.29
5. N.A.T. Mart Co., Ltd. Convenience Stores Business	1. Having a mutual shareholder, i.e. Nathalin, which holds 45.05% 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 35 per person per day Lunch service for October 1, 2016 to September 30, 2017.	00.6
		Fitness membership fee - The company paid Fitness membership fee to N.A.T. Mart Co., Ltd. at Baht 1,085 per month per person for period January 1, 2015 to December 31, 2015	0.09
6. Speed Production Co., Ltd. engaging in all type of entertainment	2. Having mutual shareholder i.e. Mrs. Vilaisri Panboonhom and Ms. Paleerat Panboonhom hold 60% of issued and paid up capital of Speed Production Co., Ltd.	Cost of design and communication media.	0.05
7. BSC Management Co., Ltd. (Former name "BSC Management Recruitment Co., Ltd.") Engaging in Others Employment ,place- ment agency	- PRM holds 99.99% of the issued and paid-up share capital. Nathalin holds 99.99% of PRM that is issued and paid-up share capital and hold 45.05% of SEOIL's issued and paid-up capital.	- Cost of domestic airplane ticket.	0.02
		Trade payables - Airplane ticket. from BSC Credit terms are 7 days.	0.03
		Management fee - The service fee is 3,000 baht per ship per ship. Contract starts November 24, 2017 until the end of the contract	0.03



Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2017
8. United Offshore Aviation Co., Ltd. Engaging in Air Transportation	- Having a mutual shareholder, i.e. Nathalin, which holds 45.05% of SEOIL's issued and paid-up capital and 20% of United Offshore Aviation Co., Ltd.'s issued and paid-up capital.	Revenue from sale of goods - SEOIL sold Jet A1 products to United Offshore Aviation Co., Ltd., with prices determined by the cost plus pricing method.	5.29
		Trade account receivable - Sale of Jet A1 product with a credit term of 30 days	0.47
9. Nathalin Shipping Pte. Ltd. (Former name "Nathalin Offshore Pte. Ltd.")	- PRM holds 87.50% of the issued and paid-up share capital. Nathalin holds 99.99% of PRM that is issued and paid-up share capital and hold 45.05% of SEOIL's issued and paid-up capital.	Revenue from sale of goods - SEOIL sold fuel and lubricant products to Nathalin Shipping Pte Ltd. with prices determined by the cost plus pricing method by Sea Oil Petroleum Pte Ltd.	18.48
10. Thai Marine Tanker Co., Ltd. engaging in marine petroleum transportation business	- PRM holds 99.99% of the issued and paid-up share capital. Nathalin holds 99.99% of PRM that is issued and paid-up share capital and hold 45.05% of SEOIL's issued and paid-up capital.	Revenue from sale of goods - SEOIL sold fuel and lubricant products to Thai Marine Tanker Co., Ltd. with prices determined by the cost plus pricing method.	5.39
		- SEOIL sold fuel and lubricant products to Thai Marine Tanker Co., Ltd. with prices determined by the cost plus pricing method by Sea Oil Offshore Ltd.	1.94
		Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days	1.56
11. United Tanker Co., Ltd engaging in Commercial Wind Power	- Sky Solar Power Co., Ltd. under of Seaoil PLC has loans United Tanker Co., Ltd (Nathalin holds 100% of United Tanker Co., Ltd that is issued and paid-up share capital and hold 45.05% of SEOIL's issued and paid-up capital.)	Interest paid - Loans of Baht 0.60 million with the interest rate of MOR at financial institutions by Sky Solar Power Co., Ltd.	0.01
12. Siam Global House PLC. ("Global") engaging in Wholesale of other Construction Materials	- Having mutual director i.e. Mr. Apisit Rujikeatkamjorn - SEOIL is a major shareholder of Living Energy Co., Ltd., holds 99.99%. LIV has the subsidiaries : Sunny Solar Co., Ltd., (99.99%)	Trade payables - Renting a roof to install solar panel with a credit term of 30 days by Sky Solar Roof Co., Ltd.,	0.11
		Sky Solar Power Co., Ltd.,	0.11
		NW Green Power Co., Ltd.	0.11
		NW Solar Co., Ltd.,	0.09



Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2017
Siam Global House PLC. (Cont.)	Sunlink Power Co., Ltd., (99.99%)	Sunny Solar Co., Ltd.,	0.09
	Solar Town Co., Ltd., (99.99%)	Solar Town Co., Ltd.,	0.11
	Sky Solar Roof Co., Ltd., (99.99%)	Roof rental	
	Sky Solar Power Co., Ltd., (99.99%)		
	NW Solar Co., Ltd., (99.99%)	- Renting a roof for solar panel installation is a	
	NW Green Power Co., Ltd. (99.99%)	long-term contract. The maximum capacity of 1	
	NW Energy Co., Ltd. (99.99%)	MW is 100,000 baht per month by	
		Sky Solar Roof Co., Ltd.,	1.20
		Sky Solar Power Co., Ltd.,	1.20
		NW Green Power Co., Ltd.	1.20
		Solar Town Co., Ltd.,	1.20
		Roof rental	
		- Renting a roof for solar panel installation is a	
		long-term contract. The maximum capacity of	
		0.80 MW is 80,000 baht per month by	
		NW Solar Co., Ltd.,	0.96
		Sunny Solar Co., Ltd.,	0.96
		Accrued Management Fee	
		- Accrued management costs including electricity,	
		water, and utilities paid to the Siam Global	
		House PLC by	
		Sky Solar Roof Co., Ltd.,	0.01
		Sky Solar Power Co., Ltd.,	0.01
		NW Green Power Co., Ltd.	0.01
		NW Solar Co., Ltd.,	0.01
		Sunny Solar Co., Ltd.,	0.01
		Solar Town Co., Ltd.,	0.01



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:-

1. 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.

2. Transactions business without general trading conditions with and other intercompany transactions

Transactions business without general trading conditions with and other intercompany 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 intercompany transactions and/or the acquisition or sale of important property of the Company.

If the Audit Committee is not expert in consideration of the intercompany transactions that may occur, the Company will appoint independent expert or Company's auditor to consider about the intercompany 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 intercompany transactions in Annual Registration Statement (Report Form 56-1), Annual Report, and Notes to the financial statement that is audited by Company's auditor.





The Audit Committee Report

Dear Shareholders,

The Audit Committee of Sea Oil Public Company consists of 3 Independent Directors who have expertise and experience in accounting, law and administrative and also have qualification as required under the Notification of the Office of Securities and Exchanges Commission. The Audit Committee duly performed its duties within the scope and responsibilities as assigned by the Board of Directors which are prescribed in the Audit Committee's Charter and in line with the regulations of the Stock Exchange of Thailand.

In year 2017, the Audit Committee conducted 6 meeting in total and reported its performance to the Board of Directors on quarterly basis, the details of attendance of each Audit Committee's member are as follows:

1. Assoc. Prof. Dr.Ruth Banomyong	Chairman of Audit Committee	attendances 6 out of 6
2. Mr. Teweeep Soontornsingha	Audit Committee	attendances 6 out of 6
3. Dr. Chalermwit Chimtragoon	Audit Committee	attendances 6 out of 6

,whereby every meeting was the meeting with the Auditor, Internal Auditor, President and Chief Executive Officer, Chief Finance Officer and other relevant executives in accordance with relevant agendas, including 1 time meeting with the Auditor without attendance of any managements for independent consultations on significant matters as well as acknowledgments of performances and recommendations, including complications and difficulties during performing of duties. The Audit Committee independently reported, made an opinion and gave recommendation to the Board of Directors of which it can be summarized as follows:

Financial Statement Review

The Audit Committee considered and reviewed material financial information of quarter financial statement and annual financial statement of the company and its subsidiaries for the year 2017 and made inquiries and received clarification from managements and Auditor including the acknowledgement of recommendation as per auditing and suggestion of the Auditor of which the Audit Committee shared the same view with the Auditor that the financial statement as at 31 December 2017 of the Company was duly prepared in all material as aspects in accordance with Thai Financial Reporting Standard (TFRS) and had disclosing in sufficient.

Internal Control and Internal Audit

The Audit Committee reviewed and assess the sufficient of annual internal control system of the Company and subsequently proposed to the Board of Directors in order to ensure that the Company had an appropriate and sufficient internal control for the Company business with consideration from the internal audit report in connection with the Company's significant performances, the risk management of which it resulted in there was no weakness or deficiency.

For the compliance of internal audit, the Audit Committee considered and nominated the Company's internal audit by consideration from the independent performance, quality of audit task and knowledge and ability of profession including the approval of annual internal audit plan whereby using risk assessment and internal control pursuant to COSO standard. The Audit Committee considered the outcome of internal audit on quarterly basis including the supervision and follow up the adjustment or change of the performance in accordance with the Internal Audit's recommendation on quarterly basis.

Legal and Regulatory Review

The Audit Committee reviewed the Company's performance through compliance unit to ensure that the Company's performance is in compliance with the laws concerning securities and exchanges, the Stock Exchange of Thailand's regulations and relevant laws in connection with the Company's business. The Audit Committee opined that the Company had internal control on the compliance with relevant laws and regulations in sufficient and effectiveness.



Related Party Transaction and Conflict of Interest Review

The Audit Committee considered related party transactions or transactions with conflict of interest to comply with laws and the Stock Exchange of Thailand's regulations of which the Audit Committee opined that the Company entered into related party transactions in accordance with general trading condition and reasonable price as entry into the same transaction with general person and for the highest benefits of the Company's business. In addition, the Company fully complied with policy and disclosed information pursuant to the Stock Exchange of Thailand.

Nomination Appointment and Determination of the Auditor's Remuneration

The Audit Committee considered to nominate, appoint and determine the Auditor's remuneration from qualification, quality of audit tasks, independent in performing, knowledge and ability in profession and experience in audit of similar or related businesses of the Company. For the Auditor's remuneration, it should consider the scope of responsibility of the Auditor and appropriation in comparing with other auditors' remuneration.

The Audit Committee considered to appoint PricewaterhouseCooper ABAS Limited as the Company's Auditor for the year 2018 and to determine the appropriate remuneration for proposing the Board of Directors to subsequently propose it to the shareholders for approval.

Consider the Anti-Corruption Policy Compliance Report.

In 2017, the Audit Committee reviewed the compliance with the Anti-Corruption Policy. To review the operational risk that may cause corrupt practices of the Company and its subsidiaries and to find control measures. Provide a system for monitoring and reporting on compliance, training and educating employees as well as updating the Charter of the Subcommittee to comply with the anti-corruption policy. The Company has also improved its corporate governance policy and code of conduct. The Audit Committee was of the opinion that the Company has sufficient measures and internal control system to oppose and detect the Corruption efficiency.

To summarize, the Audit Committee performed its duties with prudent and independent in giving opinions and advices for the highest benefit of the Company and also performed its duties in accordance with the Audit Committee Charter and assignments from the Board of Directors in full of which the Audit Committee opined that the Company had compliance system and internal control at the sufficient and appropriate level for the Company's business including the company conduct the business with good governance to ensure that the preparation of financial information fully and duly presented facts in material part in compliance with the general accounting standard, the disclosure of information was in accordance with laws, regulations and covenants in connection with the Company's business and the Company commits to develop continuously its operation and human resources for better quality and sustainable growth.

On behalf of the Audit Committee



(Assoc. Prof. Dr. Ruth Banomyong)
The Chairman of the Audit Committee





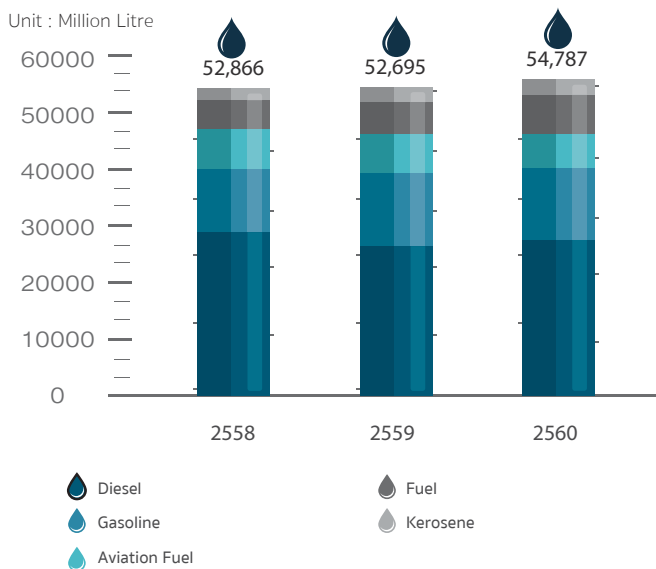
(Management Discussion and Analysis: MD&A)

Executive Summary

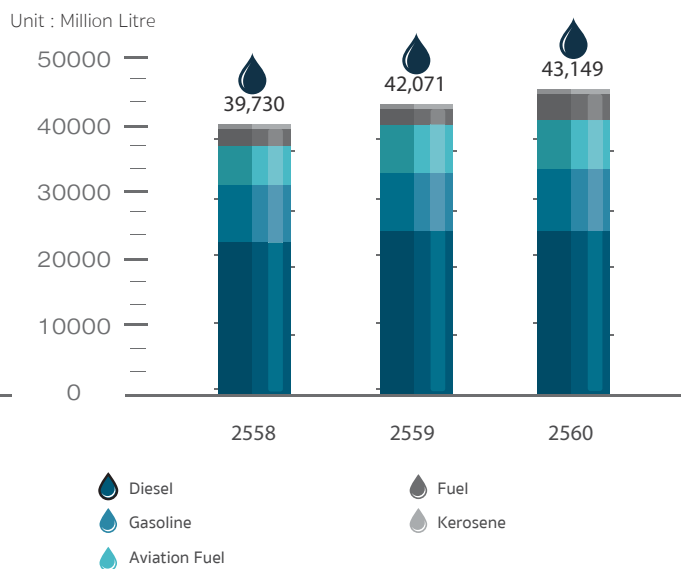
The overall Thailand economy in 2017 has slightly increased 3.9% from 2016 resulted from government stimulus measures, such as the stimulation of domestic consumption, the growth factor of the export sector and investment. The increase in export volume is in line with the accelerating growth of major trading partners, especially the US, Europe, China and Japan, and the rise in export prices is due to the rise of crude oil prices in the global market. It is expected that the Thai economy in 2018 will expand from the accelerated global economic expansion, which will result in continued expansion of exports, which will help boost the industrial production including propulsion from public and private investment.

Year 2017, the global crude oil price situation is still volatile. Although crude oil price increase from 2016, the cooperation between oil producers both inside and outside the OPEC group has agreed to extend the period of reducing crude oil production to stabilize oil prices. The expansion of the global economy influences the demand of oil in the world market to be expanded and from the price of crude oil began to rise. The increase in crude oil price brought back the crude oil producers to reinvest in drilling and production again. Based on large number of US crude oil rigs (source: the US Energy Information Administration data), crude oil may be oversupply again and cause the fluctuation in crude oil prices. However, from the data of the total fuel consumption of the country in 2015-2017 as shown in graph indicated

Production of Fuel in Thailand



Sale Revenue of Fuel in Thailand



the growth of domestic consumption demand. (source: Department of Energy Business)

The oil price fluctuation might impact the Company's fuel sales revenue which was core revenue but did not impact to profit. With risk management strategy in oil price fluctuation, Cost Plus Pricing Method has been used. In addition, as trader under Section 10, no legal reserve is required, therefore, there was no loss in inventory value due to oil price decrease. In the year 2017, the Company has expanded its investment in 10 solar rooftop projects with the total capacity of 7.81 megawatts for Provincial Electricity Authority (PEA) and Metropolitan Electricity Authority (MEA) in the form of renewable energy company with the technology for long term stable return.



The company still believes that oil prices will rise, so Exploration and Production, Transportation and other manufacturing industries will be expanded in line with the growth rate of the Thai economy and its neighbors. As a result, the demand of petroleum and electricity will increase which is the factor supporting the growth of the Company and its subsidiaries in the future.

Income Statement (Unit : Million Baht)	Consolidated	
	2016 (Update)	2017
Total Income	3,857.73	3,827.35
Revenue from Sales of Goods and Services	3,854.70	3,816.02
Gross Profit	315.35	218.65
Profit (loss) Before Share of Profit (loss) from Joint Ventures and Income Tax	48.46	(69.91)
Net Profit (loss)	(4.64)	(106.28)
Net Profit (loss) for the Company	(23.98)	(104.55)
Earnings per Share (Baht)	(0.0586)	(0.1962)

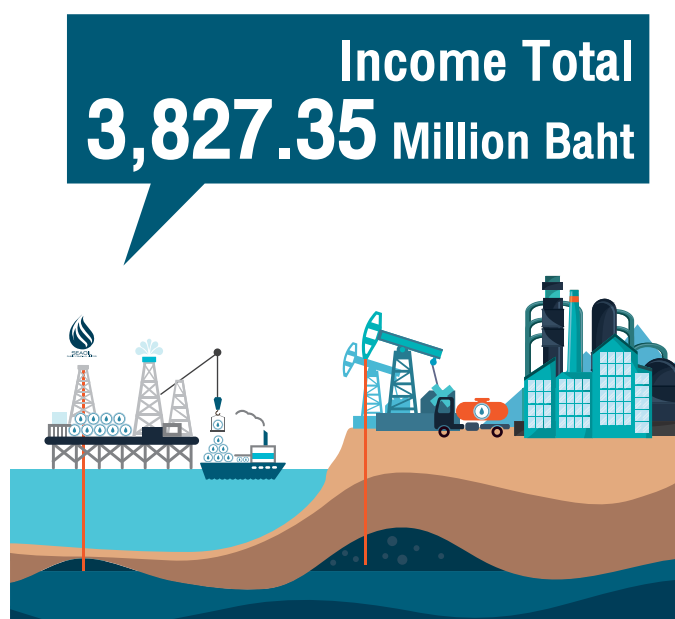
Summary of Operating Performance

2017 Operating Performance Overview

The Company and its subsidiaries had the total revenue of Baht 3,827.35 million, total sales and services income of Baht 3,816.02 million, total gross margin of Baht 218.65 million, Profit / (Loss) from joint venture and income tax of Baht (69.91) million, Total net loss for the year 2017 of Baht 106.28 million and Net loss attributed to owners of the

Operating Performance Comparison 2017 vs 2016

In the year 2017, Equity attributable to owners of the parent had the total net loss of Baht 104.55 million, the increase of Baht 80.57 million or 3.36 times from last year. This was mainly due to the decrease in gross profit margin Baht 218.65 million, a decrease of 30.66% from the previous year due to lower margins of marine oil business from domestic and international customers as the increasing of market competition. The volume of sales in the offshore group significantly decreased. This is a result of the exploration and production of petroleum in the Gulf of Thailand has decreased their production. Some concessions are under the plan of shutdown and cost management as concerned from oil price situation. Therefore, sales volume from key customers of exploration and production supply boats is significantly decrease.



Revenue Structure (Unit: Million Baht)	The Company and subsidiaries			
	2016 (Updated)		2017	
	Amount	%	Amount	%
Revenue from Sales	3,600.96	93.34	3,569.84	93.27
• Bunker sales	3,438.46	89.13	3,507.00	91.63
• Jobber	162.50	4.21	62.84	1.64
Revenue from services	186.49	4.84	105.68	2.76
Revenue from Distribution power	67.25*	1.74	140.50	3.67
Others income	3.03	0.08	11.33	0.30
Total	3,857.73	100.0	3,827.35	100.0

*Revenue from electricity distribution in 2016 is the result of an adjustment in the presentation of financial statements, due to the acquisition of new businesses during the year 2017, the business was under the common control.

2017 Income Structure of the Company and Subsidiaries

In 2017 the Company and its subsidiaries had total revenue of Baht 3,827.35 million consisted of revenue from fuel and lubricant sales of Baht 3,569.84 million, revenue from Supply Management of Baht 105.68 million, revenue from Production and distribution of Electric Energy of Baht 140.50 million and other income (gain on exchange rate and interest received) of Baht 11.33 million

In 2017, The Company and its subsidiaries had the revenue from fuel and lubricant sales of Baht 3,569.84 million, decreased by 0.86% from 2016 which was mainly caused from lower including marine oil business from domestic and international customers as the increasing of market competition. The volume of sales in the offshore group significantly decreased, which resulted total company sales is significantly decreased as well.

In 2017, The Company and its subsidiaries had the revenue from Supply Management of Baht 105.68 million decreased by 43.33 % from 2016 which most of the service contracts ended in Q2 and Q3 2017.

In 2017, The Company and its subsidiaries had the revenue from Production and distribution of Electric Energy of Baht 140.50 million increased by 108.92% from 2016 due to the expansion of solar roof-top business.

In 2017, The Company and its subsidiaries had other income of Baht 11.33 million which consisted of gain on exchange rate and interest received.

Sales Revenue (Unit: Million Baht)	2016		2017	
	Amount	%	Amount	%
Marine	3,438.46	95.49	3,507.00	98.24
- Domestic	1,072.46	29.78	827.84	23.19
- International and External	2,366.00	65.70	2,679.16	75.05
Jobber	162.50	4.51	62.84	1.76
Total	3,600.96	100.00	3,569.84	100.00

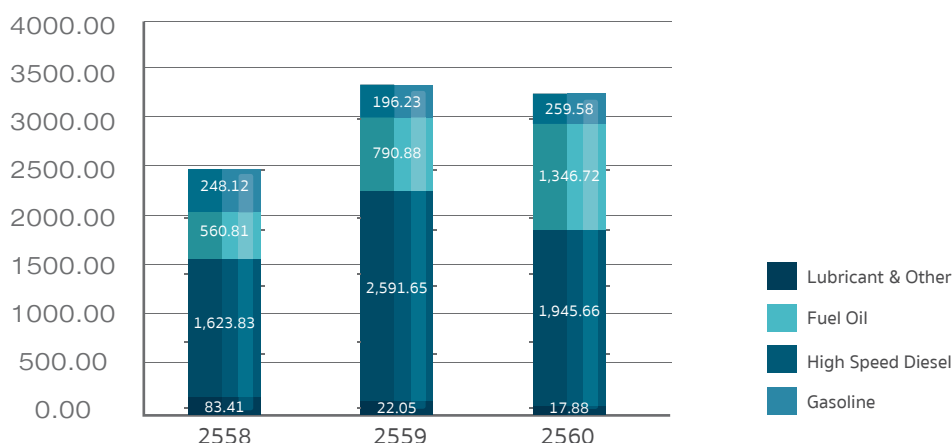
In 2017, The Company and its subsidiaries had the total revenue from fuel and lubricant sales in the amount of Baht 3,569.84 million by distribution channels as follow:-

In 2017, the revenue from Marine sales in the amount of Baht 3,507.00 million which accounted for 98.24% of the total sales revenue and increased by 1.99% compared to the previous year which mainly resulted from the increased of marine sales to customers in oversea subsidiaries.

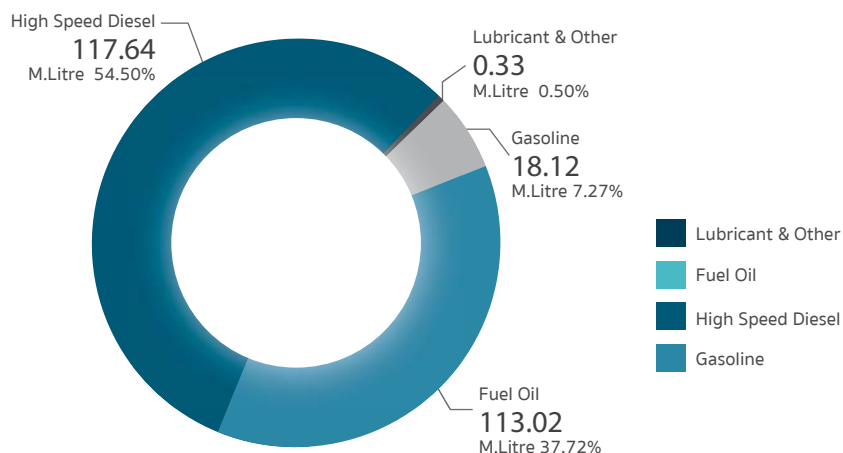


In 2017, the revenue from jobber sales in the amount of Baht 62.84 million which accounted for 1.76% of the total sales revenues, decreased 61.33% compared to the previous year. The decrease of jobber sales was mainly due to decreasing in domestic transportation industry and the Company strictly complied credit management policy to prevent bad debt.

Revenue from Foods Sold in 2014 - 2016
(Unit: Million Baht)



Fuel & Lubricant Sale Quantity in 2017
(Unit: Million Litre)



In 2017, The Company and its subsidiaries had the revenue from High Speed Diesel (“HSD”) sales of Baht 1,945.66 million which was accounted for 54.50 % of the total sales and the volume of HSD sales in 2017 was 117.64 million liters , mainly from the International marine sales.

In 2017, The Company had the revenue from Fuel Oil sales of Baht 1,346.72 million which was accounted for 37.72% of the total sales and the volume of Fuel oil sales in 2017 was 113.02 million liters, mainly due to the bunker sales to overseas customers and domestic tanker.

In 2017, The Company had the revenue from Gasoline sales of Baht 259.58 million which was accounted for 7.27% of the total sales and the volume of Gasoline sales in 2017 was 18.12 million liters due to the marine sales of overseas customer.



Revenue from Supply Management

The Company's revenues from supply management for marine vessel and offshore / onshore Oil & Gas exploration and production manpower. Comparing revenue from catering and housekeeping services to manpower both offshore and onshore in Oil & Gas Business.

In 2017, revenues from Supply Management in the amount of Baht 105.68 million, representing 2.76% of the total revenue of the company declining from 43.33% in 2016 due to the service contracts ended in Q2 and Q3 2017 and impact from oil price fluctuation caused decreasing activities in the Gulf of Thailand also resulted the supply management revenue to decrease.

Cost of Sales and Services and Gross Profit

Cost of Sales and Services consisted of the costs of fuel and lubricants sales and the costs of Supply Management.

In 2017, the Company and its subsidiaries have a cost of fuels, lubricants, cost of production and distribution of electric sales of Baht 3,502.30 million or 94.39% of all proceeds from the sale of fuel, lubricants, production and distribution of electric. The Company and its subsidiaries had gross profit on sales of fuel, lubricants, production and distribution of electric in 2017 of Baht 208.04 million, decrease from 2016 of Baht 97.56 million or 31.92%. This is due to lower margins of marine oil business from domestic and international customers as the increasing of market competition.

In 2017, the Company and its subsidiaries has gross margin of the fuel, lubricants, production and distribution of electric by 5.61%. decreased from 2016 of 8.33% due to the high competition in oversea market of subsidiaries so the company had to reduce the selling price as the resulted of total gross margin decreased as well.

The Company's cost of services of Supply Management in 2017 of Baht 95.07 million, 89.96% of the total revenue from services. As a result, the Company has gross profit from services in 2017 of Baht 10.61 million, increased from the 2016 of 8.89%.

The Company's gross margin from Supply Management services in 2017 was 10.04% increased from 2016 gross margin by 5.23%.

The gross margin of the Company and its subsidiaries in 2017 of Baht 218.65 million by 30.66% decreased from 2016 due to the high competition in domestic and oversea market of subsidiaries.

Selling expenses and Administrative expenses

Selling expenses includes the sales salary, the cost of freight, insurance. Including marketing fee.

In 2017, the Company and its subsidiaries had selling expenses of Baht 67.79 million, the decreased of 23.25%, due to lower fuel sales.

Administrative expenses

In 2017, the Company and its subsidiaries had total administrative expenses of Baht 137.82 million, an increase from 2016 by 22.55%, mainly resulted from the increasing number of personnel to support the growth of business and the cost of accident in subsidiary which in an insurance claim process.

Financial costs

In 2017, the Company and its subsidiaries had the financial costs of Baht 64.10 million, decreased from the previous year by Baht 6.93 million or decreased 9.75%, the decrease in financial cost is due to the reduction of the debentures. The Company has completely redeemed its debentures.

Loan from Exchange Rate

In 2017, the company and its subsidiaries had net loss from exchange rate of Baht 30.18 million mainly from adjustment of unrealized exchange rate at year end.

Corporate income tax

In 2017, the Company and its subsidiaries had income tax amount of Baht (0.28) million, decreased by 102.08% from 2016, in line with company tax losses and deferred tax asset.



Financial Position

Statement of Financial Position (Unit: Million Baht)	The Company		Consolidated	
	2559	2560	2559 (Update)	2560
Total Assets	2,364.04	2,407.09	2,754.12	2,604.86
Total Liabilities	1,030.45	723.13	1,489.31	1,251.56
Total Shareholders' Equity	1,333.59	1,683.96	1,264.81	1,353.30
Registered Capital	417.04	691.87	417.04	671.87
Issued and Paid-up Share Capital	415.12	553.54	415.12	553.54

Assets

As at December 31, 2017, the Company and its subsidiaries had total assets of Baht 2,604.86 million, an decrease of Baht 149.26 million or decreased 5.42% from 2016 mainly due to the decrease of current assets was 158.10 million or decreased 18.47%, the increase of non-current assets was 8.84 million or increased 0.47% from 2016.

(1) Current assets

As at 31 December 2017 the Company and its subsidiaries had the current assets of Baht 697.97 million, decreased 18.47% from the previous year mainly due to the decrease in cash and cash equivalents, trade and other accounts receivable.

Cash and cash equivalents

As at December 31, 2017, the Company and its subsidiaries had Cash and cash equivalents of Baht 171.91 million, decrease 33.80% from the previous year due to the decrease in cash flow from investment in the condensate splitter business and the repayment of debentures.

Trade and Others receivables

As at December 31, 2017, the Company and its subsidiaries had trade receivables and other receivables, net of Baht 457.12 million, decreased 20% from the end of 2016 due to lower sales and advance payment on goods and services. However, the trade receivable as of December 31, 2017 are mainly from undue debts and overdue not over 3 months.

(2) Non-current assets

As at December 31, 2017 the Company and its subsidiaries had non-current assets of Baht 1,906.89 million increased 0.47% from the previous year, mainly due to increase in property, plant and equipment net from the increase in assets under construction of condensate splitter plant has been upgraded for the operation.

As at 31 December 2017, Investment in a joint venture amount of Baht 1,265.69 million which from the subsidiary subsidiaries (Sea Oil Energy Ltd.) acquired shares of Pan Orient Energy (Siam) Limited ("POES") in Exploration and Production of petroleum in Thailand in amount 9,863 shares or 49.99 % of issued and paid up share capital of POES. In 2017 had share of loss amount of Baht 36.65 million. As at the end of 2017 the Company tested impairment of investment in a joint venture by calculation uses cash flow projection from the petroleum concession that the recoverable amount in the present is higher than the book value. Therefore the Company did not record any impairment of such investment.



Liabilities

As at December 31, 2017 the Company and its subsidiaries had total liabilities of Baht 1,251.56 million, an decrease of Baht 237.75 million from the end of 2016, mainly due to the reduction of short-term debt and return of the debentures in September 2560

Shareholders' equity

As at December 31, 2017, the shareholders' equity of the Company and its subsidiaries was Baht 1,353.30 million, Equity attributable to owners of the parent of Baht 1,350.97 million increased of Baht 204.62 million from 2016 as the result of the increase as follows :-

(1) The Company issued the ordinary shares 138.37 million shares with par value at Baht 1 per share total of Baht 19.13 million to offer new shares to existing shareholders at the ratio of 3 existing shares to 1 new share at the offering price of Baht 3 per share totaling Baht 415.12 million.

(2) The Company has the intention to exercise the warrants of SEOIL-W for 0.04 million ordinary shares at the offering price of Baht 3 per share totaling Baht 0.13 million.

(3) The Company appropriated the retained earning for the dividend payment of Baht 27.67 million.

(4) The Company had the total comprehensive loss attributable to Owners of the parent for the year of Baht 108.91 million.

(5) The Company recognized the lower of the business combination under common control of Baht 74.05 million

Liquidity

Net cash generated from (used in) operating activities

Statement of Cash Flows For the year ended 31 December 2016 (Unit : Million baht)	The Company		Consolidated	
	2559	2560	2559 (Update)	2560
Net cash generated from (used in) operating activities	238.91	(6.36)	16.34	136.63
Net cash used in investing activities	(342.96)	(93.03)	(2.07)	(281.18)
Net cash generated from financing activities	(58.08)	27.58	(102.12)	47.76
Net increase(decrease) in cash and cash equivalents	(162.13)	(71.81)	(87.85)	(96.79)
Cash and cash equivalents at the beginning of the year	297.89	138.04	348.13	259.69
Exchange gains (losses) on cash and cash equivalents	2.28	(3.59)	(0.59)	9.01
Cash and cash equivalents at the end of the year	138.04	62.64	259.69	171.91

In 2017, the Company and its subsidiaries had net cash used in operating activities in the amount of baht 136.63 million, mainly due to the decrease of trade receivable and deposits from pledged financial institutions.



Net cash generated from (used in) investing activities.

In 2017, the Company and its subsidiaries had net cash used in investing activities amount of baht 281.18 million, mainly due investment on Production and distribution in electric, purchase of equipment and improving the condensate splitter plant of subsidiary.

Net cash generated from (used in) financing activities.

In 2017, the Company and its subsidiaries had net cash used in financing activities of Baht 47.76 million due to loans from financial institutions and related parties and the issuance of new ordinary shares.

For that reason, the Company and its subsidiaries has decreased of cash and cash equivalents at the end of 2017 of Baht 96.79 million from the end of 2016 and had cash and cash equivalents at the end of 2017 of Baht 171.91

Factors and influences that may affect the operating results or financial position in the future.

The oil price fluctuation and the economic slowdown in Asia

The global economic and oil price still fluctuate from several factors i.e. production quantity, oil demand etc. The company's main revenue comes from oil sales, therefore, changes in oil prices could affect the overall company performance. If oil prices drop dramatically, as a result, revenue from sales of products of the company would drop as well. However, the company has a policy to determine the selling price by using cost-plus margin (Cost Plus Pricing Method) to maintain margins. The Company also reduces risks by investing in other business i.e. business in renewable energy resources to reduce impact from oil price fluctuation. However, the company is monitoring the situation closely to conduct business in accordance with the stated goals and enable to adapt the strategy in line with the current situation.

Table of Important Financial Ratio

Financial Ratio	The Company as of 31st December			Consolidated as of 31st December		
	2558	2559	2560	2558	2559 (Update)	2560
Current Ratio (times)	13.82	0.64	1.24	8.59	0.66	0.95
Quick Ratio (times)	13.55	0.31	0.61	8.40	0.65	0.85
Turnover Ratio (times)	6.18	5.43	6.26	6.39	8.62	7.98
Average Collection Period (days)	58.24	66.31	57.48	56.34	41.74	45.12
Gross Profit Margin (%)	9.21	12.36	8.12	9.18	8.18	5.73
Operating Profit Margin (%)	3.43	4.71	(1.65)	3.09	2.97	0.34
Net Profit Margin (%)	4.02	4.45	(3.47)	0.23	(0.12)	(2.79)
Return on Equity (%)	9.32	5.12	(2.33)	0.60	(2.16)	(8.37)
Return on Asset (%)	6.08	2.79	(1.47)	0.38	(0.19)	(3.97)
Debt to Equity Ratio (times)	0.90	0.77	0.43	1.01	1.18	0.92
Debt to Equity Ratio (times)	0.85	0.75	0.42	0.94	1.03	0.77
Interest Coverage Ratio (times)	3.29	4.27	(0.11)	3.58	0.23	2.13



Financial Ratio Formula

Current Ratio (times)	=	Current assets / Current liabilities
Gross Profit Margin	=	Gross Profit / Revenue from sales and Services
Operating Profit Margin	=	Operating Profit / Revenue from sales and Services
Net Profit Margin	=	Net Profit / Total Revenue
Return on Equity	=	Net Profit / Total equity (Average)
Return on Asset	=	Net Profit / Total assets (Average)
Debt to Equity Ratio	=	Total liabilities / Equity



SEA OIL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2017





Independent Auditor's Report

To the shareholders of Sea Oil Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Sea Oil Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Assessment of the recoverable amount of investment in a joint venture. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.



Key audit matter	How my audit addressed the key audit matter
<p>Assessment of the recoverable amount of investment in a joint venture</p> <p>As at 31 December 2017, the Group had an investment in a company classified as joint venture. It was presented in the consolidated financial statements at Baht 1,265.69 million representing 48.59% of total assets. The joint venture operates in exploration, development and the production of petroleum and natural gas. The joint venture was affected by a decrease in oil prices and incurred operating loss. These factors are indications that investment in the joint venture may be impaired. The Group, therefore, tested impairment of the investment.</p> <p>The management assessed the recoverable amount of investment in the joint venture by the calculation of value in use which involves an estimate of the future cash flows.</p> <p>An assessment of the recoverable amount of investment in the joint venture was determined to be a key audit matter because the amount of that investment is material to the financial statements. The recoverable amount depends on assumptions which involve significant management judgements, such as an estimate of the future cash flows the Group expects to derive from the investment, expectations about possible variations in the amount or timing of future cash flows, the time value of money, and the appropriate discount rates. The key assumptions of the estimate of the future cash flows are the petroleum reserves and the petroleum resources, oil prices and discount rates.</p>	<p>I tested the calculation of value in use prepared by management. I challenged management about future production plans. I tested the reasonableness of an estimate of the future cash flows by testing the assumptions as follows:</p> <ul style="list-style-type: none"> • compared the forecast operating results against actual historical data. • compared the petroleum reserves and the petroleum resources with a report of the management experts. • checked the future oil prices which management used with market information. • analysed whether costs and expenses were in line with sales and consistent with actual historical amounts. • checked the calculation of discount rates. • performed a sensitivity analysis on key assumptions. <p>I also assessed the knowledge of the management experts who provided information about the petroleum reserves, the petroleum resources and oil prices.</p> <p>Based on the procedures above, I found that the assumptions used by the management in the assessment of the recoverable amount of investment in the joint venture were reasonable.</p>



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.



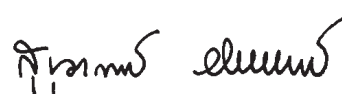
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Sukhumaporn Wong-ariyaporn
 Certified Public Accountant (Thailand) No.4843 Bangkok
 23 February 2018



	Notes	Consolidated			Separate	
		financial statements			financial statements	
		31 December	31 December	1 January	31 December	31 December
		2017	2016	2016	2017	2016
		Baht	Baht	Baht	Baht	Baht
Assets						
Current assets						
Cash and cash equivalents	7	171,906,380	259,685,631	348,134,367	62,636,012	138,038,928
Trade and other receivables, net	8	457,123,947	572,587,010	415,877,497	191,167,130	179,989,911
Short-term loans to subsidiaries	29.4	-	-	5,220,000	259,390,530	329,642,440
Inventories	9	37,598,677	568,831	2,910,737	917,039	205,500
Other current assets		31,341,063	23,231,527	23,727,963	3,412,343	14,292,290
Total current assets		697,970,067	856,072,999	795,870,564	517,523,054	662,169,069
Non-current assets						
Restricted deposits at						
financial institutions	17.2.1	4,069,904	17,443,590	1,966,720	-	-
Investment in subsidiaries	10.1	-	-	-	370,432,920	163,773,976
Investment in a joint venture	10.2	1,265,688,243	1,302,340,597	1,341,929,835	-	-
General investment - a related party	12	-	17,533,500	17,533,500	-	17,533,500
Long-term loans to a subsidiary		-	-	-	1,387,880,000	1,387,880,000
Interest receivable from a subsidiary		-	-	-	99,139,637	99,139,637
Property, plant and equipment, net	13	600,952,697	526,053,081	398,922,399	1,233,045	1,226,102
Intangible assets, net	14	2,816,544	3,091,870	3,111,277	1,311,558	1,663,684
Deferred tax assets, net	15	8,708,743	4,919,839	2,419,326	4,915,839	2,331,963
Other non-current assets	16	24,658,526	26,666,617	27,766,257	24,655,526	28,322,560
Total non-current assets		1,906,894,657	1,898,049,094	1,793,649,314	1,889,568,525	1,701,871,422
Total assets		2,604,864,724	2,754,122,093	2,589,519,878	2,407,091,579	2,364,040,491

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.



Sea Oil Public Company Limited

Statement of Financial Position

As at 31 December 2017

	Notes	Consolidated financial statements			Separate financial statements	
		31 December 2017	31 December 2016	1 January 2016	31 December 2017	31 December 2016
		Baht	Baht	Baht	Baht	Baht
Liabilities and equity						
Current liabilities						
Short-term borrowings						
from related party	17.1	-	-	18,910,000	-	-
Short-term borrowings						
from a financial institution	17.1	396,301,984	-	10,000,000	396,301,984	-
Current portion of long-term borrowings						
from a financial institution	17.2	120,592,000	102,468,000	29,928,000	-	-
Current portion of debentures	17.2	-	998,290,285	-	-	998,290,285
Current portion of finance lease liabilities		-	303,055	279,845	-	-
Trade and other payables	18	204,364,597	182,641,342	77,572,346	18,996,107	24,472,522
Current income tax payable		1,959,589	247,164	167,302	-	5,984
Other current liabilities		14,425,849	6,117,253	14,287,493	1,005,868	4,202,179
Total current liabilities		737,644,019	1,290,067,099	151,144,986	416,303,959	1,026,970,970
Non-current liabilities						
Long-term borrowing from a parent	17.2	300,000,000	-	-	300,000,000	-
Long-term borrowings from						
a financial institution	17.2	206,416,000	195,664,000	298,132,000	-	-
Debentures	17.2	-	-	996,434,038	-	-
Finance lease liabilities		-	106,660	409,715	-	-
Employee benefit obligations	19	7,505,428	3,476,713	2,845,429	6,824,193	3,476,713
Total non-current liabilities		513,921,428	199,247,373	1,297,821,182	306,824,193	3,476,713
Total liabilities		1,251,565,447	1,489,314,472	1,448,966,168	723,128,152	1,030,447,683

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.



	Notes	Consolidated			Separate	
		financial statements			financial statements	
		31 December	31 December	1 January	31 December	31 December
		2017	2016	2016	2017	2016
		Baht	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)						
Equity						
Share capital						
Authorised share capital	20					
691,867,135 ordinary shares						
at par value of Baht 1 each						
(31 December 2016:						
417,036,710 ordinary shares						
at par value of Baht 1 each)		691,867,135	417,036,710	379,124,282	691,867,135	417,036,710
Issued and paid-up share capital	20					
553,538,208 ordinary shares						
at par value of Baht 1 each						
(31 December 2016:						
415,120,281 ordinary shares						
at par value of Baht 1 each)		553,538,208	415,120,281	359,993,848	553,538,208	415,120,281
Premium on ordinary shares	20	933,127,791	656,291,937	581,868,371	933,127,791	656,291,937
Shortage arising from business						
combination under common control	11	(74,049,938)	-	-	-	-
Retained earnings (deficits)						
Appropriated - legal reserve	22	26,509,200	26,509,200	23,295,000	26,509,200	26,509,200
Unappropriated		(85,867,861)	48,485,818	113,502,740	170,788,228	235,671,390
Other components of equity		(2,292,225)	(66,842)	28,011	-	-
Equity attributable to owners of the parent		1,350,965,175	1,146,340,394	1,078,687,970	1,683,963,427	1,333,592,808
Non-controlling interests		2,334,102	118,467,227	61,865,740	-	-
Total equity		1,353,299,277	1,264,807,621	1,140,553,710	1,683,963,427	1,333,592,808
Total liabilities and equity		2,604,864,724	2,754,122,093	2,589,519,878	2,407,091,579	2,364,040,491

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.



Sea Oil Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Revenue from sales		3,710,341,462	3,668,203,105	905,476,941	1,257,941,276
Revenue from services		105,679,660	186,492,670	105,679,660	186,492,670
Cost of sales		(3,502,303,139)	(3,362,600,970)	(833,944,128)	(1,089,154,392)
Cost of services		(95,065,918)	(176,745,385)	(95,065,918)	(176,745,385)
Gross profit		218,652,065	315,349,420	82,146,555	178,534,169
Other income	24	11,330,719	3,025,024	39,910,766	65,832,172
Selling expenses		(67,790,469)	(88,322,330)	(24,179,624)	(39,365,264)
Administrative expenses	26	(137,824,421)	(112,465,201)	(74,692,825)	(71,124,132)
Other gains (losses) - exchange rates, net		(30,175,625)	1,898,247	(3,375,237)	2,208,855
Finance costs	25	(64,099,917)	(71,027,562)	(55,812,662)	(55,938,718)
Profit (loss) before share of profit (loss) from a joint venture and income tax		(69,907,648)	48,457,598	(36,003,027)	80,147,082
Share of profit (loss) from a joint venture	10.2	(36,652,354)	(39,589,238)	-	-
Profit (loss) before income tax		(106,560,002)	8,868,360	(36,003,027)	80,147,082
Income tax	27	281,584	(13,512,001)	920,022	(15,863,421)
Profit (loss) for the year		(106,278,418)	(4,643,641)	(35,083,005)	64,283,661

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.



Sea Oil Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of post-employment benefit obligations	19	(2,658,090)	-	(2,658,090)	-
Income tax on items that will not be reclassified subsequently to profit or loss	15	531,618	-	531,618	-
Total items that will not be reclassified to profit or loss					
		(2,126,472)	-	(2,126,472)	-
Items that will be reclassified subsequently to profit or loss					
Currency translation differences		(2,683,550)	(197,821)	-	-
Total items that will be reclassified subsequently to profit or loss					
		(2,683,550)	(197,821)	-	-
Other comprehensive income for the year, net of tax					
		(4,810,022)	(197,821)	(2,126,472)	-
Total comprehensive income for the year					
		(111,088,440)	(4,841,462)	(37,209,477)	64,283,661
Profit (loss) attributable to:					
Owners of the parent		(104,553,522)	(23,981,411)	(35,083,005)	64,283,661
Non-controlling interests		(1,724,896)	19,337,770	-	-
		(106,278,418)	(4,643,641)	(35,083,005)	64,283,661
Total comprehensive income attributable to:					
Owners of the parent		(108,905,377)	(24,165,786)	(37,209,477)	64,283,661
Non-controlling interests		(2,183,063)	19,324,324	-	-
		(111,088,440)	(4,841,462)	(37,209,477)	64,283,661
Earnings (loss) per share					
Basic earnings (loss) per share	28	(0.1962)	(0.0586)	(0.0658)	0.1570
Diluted earnings (loss) per share		(0.1962)	-	(0.0658)	-

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.



Consolidated financial statements														
Notes	Attributable to owners of the parent						Other components of equity				Non-controlling interests			
	Issued and paid-up share capital			Share premium			Retained earnings		Other comprehensive income		Other owners' interest arising from business combination		Equity attributable to owners of the parent	
	Baht			Baht			Baht		Baht		Baht		Baht	
							Appropriated - legal reserve	Unappropriated	Translation of financial statements	Total other components of equity	Other non-controlling interests			
Opening balance as at 1 January 2016														
- previously reported	359,993,848		581,868,371	-		23,295,000	113,502,740		28,011	28,011			1,078,687,970	-
Impact of business combination under common control	-		-	-		-	-	-	-	-			61,865,740	61,865,740
Opening balance as at 1 January 2016 - restated	359,993,848		581,868,371	-		23,295,000	113,502,740		28,011	28,011			1,078,687,970	61,865,740
Changes in equity for the year														
Increase in share capital	55,126,433		74,423,566	-		-	-	(3,214,200)	-	-			129,549,999	-
Legal reserve	-		-	-		3,214,200	-	(39,997,126)	-	-			-	-
Dividend	-		-	-		-	-	(39,997,126)	-	-			-	-
Total comprehensive income for the year	-		-	-		-	(23,981,411)	(23,981,411)	(184,375)	(184,375)			(24,165,786)	760,781
Increase in share capital of a subsidiary	-		-	-		-	-	-	-	-			-	39,542,500
Decrease of ownership interest in a subsidiary	-		-	-		-	-	-	-	-			-	-
to non-controlling interests	-		-	-		-	-	-	-	-			-	-
Closing balance as at 31 December 2016	415,120,281		656,291,937	-		26,509,200	48,485,818		(66,842)	(66,842)			1,146,340,394	118,467,227
														1,264,807,621

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.

Consolidated financial statements													
Attributable to owners of the parent													
Other components of equity													
Other													
comprehensive income													
Translation of financial statements													
Total other components of equity													
Equity attributable to owners of the parent													
Other owners' interest arising from business combination under common control													
Total equity													
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The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.





Separate financial statements						
		Retained earnings				
	Issued and paid-up share capital	Share premium	Appropriated - legal reserve	Unappropriated	Total equity	
Notes	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2016						
	359,993,848	581,868,371	23,295,000	214,599,055	1,179,756,274	
Changes in equity for the year						
20	55,126,433	74,423,566	-	-	129,549,999	
22	-	-	3,214,200	(3,214,200)	-	
23	-	-	-	(39,997,126)	(39,997,126)	
Total comprehensive income for the year						
	-	-	-	64,283,661	64,283,661	
Closing balance as at 31 December 2016						
	415,120,281	656,291,937	26,509,200	235,671,390	1,333,592,808	
Opening balance as at 1 January 2017						
	415,120,281	656,291,937	26,509,200	235,671,390	1,333,592,808	
Changes in equity for the year						
20	138,373,427	276,746,854	-	-	415,120,281	
21	44,500	89,000	-	-	133,500	
22	-	-	-	(27,673,685)	(27,673,685)	
Total comprehensive income for the year						
	-	-	-	(37,209,477)	(37,209,477)	
Closing balance as at 31 December 2017						
	553,538,208	933,127,791	26,509,200	170,788,228	1,683,963,427	

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax expense		(106,560,002)	8,868,360	(36,003,027)	80,147,082
Adjustments for:					
Depreciation and amortisation	13, 14	20,106,831	20,597,653	674,469	1,760,398
Allowance for doubtful accounts (reserved)		1,543,086	(2,924,350)	(1,130,800)	(2,924,350)
Losses (gains) on exchange rate		5,261,280	(3,310,422)	3,561,002	(1,435,215)
Loss from modification of loan agreements	29	1,266,433	-	1,266,433	-
Loss on sale of property, plant and equipment		801,011	-	-	-
Loss from write-off fixed assets	26	2,410,026	-	-	-
Employee benefit obligations	19	1,370,625	631,284	689,390	631,284
Interest income	24	(3,666,441)	(1,204,542)	(19,003,636)	(62,603,982)
Interest expense	25	64,099,917	71,027,562	55,812,662	55,938,718
Dividend income	24	-	-	(17,460,274)	-
Share of (profit) loss from a joint venture	10.2	36,652,354	39,589,238	-	-
Profit from operating activities before					
change in operating assets and liabilities		23,285,120	133,274,783	(11,593,781)	71,513,935
Changes in operating assets and liabilities					
Trade and other receivables		87,919,122	(178,414,776)	2,415,335	209,949,993
Inventories		(37,029,846)	2,290,611	(711,539)	368,500
Other current assets		(20,441,205)	2,037,226	952,657	312,553
Restricted deposits at financial institutions		12,693,066	(14,796,250)	-	-
Other non-current assets		2,688,711	3,173,231	8,092	1,519,602
Trade and other payables		53,996,205	86,043,967	(3,025,895)	(27,945,933)
Other current liabilities		4,678,595	(1,133,990)	(3,196,312)	(1,036,891)
Cash generated from (used in) operations					
		127,789,768	32,474,802	(15,151,443)	254,681,759
Income tax received		12,649,823	-	12,649,823	-
Income tax paid		(3,805,114)	(16,136,768)	(3,860,753)	(15,770,074)
Net cash generated from (used in)					
operating activities		136,634,477	16,338,034	(6,362,373)	238,911,685

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.



Sea Oil Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Purchase of fixed assets		(114,873,933)	(38,264,098)	(329,286)	(263,737)
Purchase of intangible assets		-	(470,430)	-	-
Payment for investment in subsidiaries	10.1	(188,000,000)	(43,588)	(201,500,000)	(42,269,946)
Capitalised transaction costs	10.1	-	-	(1,500,000)	(3,658,944)
Payment for loan to subsidiaries	29.4	-	-	(165,000,000)	(399,716,007)
Proceeds from repayments of loan to related parties	29.4	-	5,220,000	233,985,477	69,119,400
Proceeds from sale of general investment	12	17,533,500	-	17,533,500	-
Proceeds from sales of fixed assets		542,037	-	-	-
Interest paid		3,617,460	1,484,091	6,323,467	3,828,265
Dividend received		-	30,000,375	17,460,274	30,000,375
Net cash generated from (used in)					
investing activities		(281,180,936)	(2,073,650)	(93,026,568)	(342,960,594)
Cash flows from financing activities					
Proceeds from short-term borrowings from a financial institution	17.1	538,308,998	-	-	-
Proceeds from long-term borrowings from a financial institution	17.2	60,000,000	-	537,308,998	-
Proceeds from short-term borrowing from a related party	17.1	600,000	-	-	-
Proceeds from long-term borrowing from a related party	17.2	300,000,000	-	300,000,000	-
Proceeds from issuance of ordinary shares	20	415,120,281	30,550,000	415,120,281	-
Proceeds from exercise of warrants	21	133,500	-	133,500	-
Repayment on short-term borrowings from a financial institution	17.1	(151,000,000)	(10,000,000)	(150,000,000)	-
Repayment on long-term borrowings from a financial institution	17.2	(31,124,000)	(29,928,000)	-	-
Repayment on short-term borrowings from a related party	17.1	(600,000)	(18,910,000)	-	-
Repayment on finance lease liabilities		(409,715)	(279,845)	-	-
Repayment on debentures	17.2	(1,000,000,000)	-	(1,000,000,000)	-
Interest paid		(55,595,844)	(69,553,831)	(47,308,590)	(54,082,472)
Dividend paid	23	(27,674,117)	(4,001,127)	(27,673,685)	(4,001,127)
Net cash generated from (used in)					
financing activities		47,759,103	(102,122,803)	27,580,504	(58,083,599)

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.



Sea Oil Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Net decrease in					
cash and cash equivalents		(96,787,356)	(87,858,419)	(71,808,437)	(162,132,508)
Cash and cash equivalents at the beginning					
of the year		259,685,631	348,134,367	138,038,928	297,892,000
Exchange gains (losses) on cash and					
cash equivalents		9,008,105	(590,317)	(3,594,479)	2,279,436
Cash and cash equivalents at the end					
of the year	7	<u>171,906,380</u>	<u>259,685,631</u>	<u>62,636,012</u>	<u>138,038,928</u>

Supplementary information for cash flows

Non-cash transactions:

Acquisition of investment in a subsidiary

 by issuance of ordinary shares - - - 93,554,000

Acquisition of assets by issuance of

 ordinary shares - 93,554,000 - -

Stock dividend 23 - 35,995,999 - 35,995,999

Purchase of equipment on payable 4,295,979 17,661,206 - -

The accompanying notes on pages 16 to 62 are an integral part of these consolidated and separate financial statements.

1 General information

Sea Oil Public Company Limited ("the Company") was incorporated and registered as a limited company on 26 May 1997. The Company's shares had been approved to be listed in the MAI (Market for Alternative Investment) on 5 September 2013. The address of the Company's registered office is as follows:

88 Soi Bang Na-Trat 30, Bang Na-Trat Road, Bang Na Sub-district, Bang Na district, Bangkok.

The principal activities of the Company are retail sale of fuel oil and lubricant oil and providing both onshore and offshore housekeeping and food services.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

Detail of the Company's subsidiaries and a joint venture as at 31 December 2017 is as follows:

Company	Incorporated country	Nature of business	Investment portion (%)
Subsidiaries			
Sea Oil Energy Limited	Islands of Bermuda	Holding Company	1 0 0 . 0 0
Sea Oil Offshore Limited	Malaysia	Retail sale of fuel oil and related products	1 0 0 . 0 0
Sea Oil Petroleum Pte. Ltd.	Singapore	Retail sale of fuel oil and related products	7 5 . 0 0
Sea Oil Petrochemical Company Limited (formerly Nakornchai Prakarn Chemical Product Company Limited)	Thailand	Production and retail sale of solvent and related products	9 9 . 9 9
Living Energy Company Limited	Thailand	Holding company	9 9 . 9 9
Indirect subsidiaries (held by Living Energy Company Limited)			
NW Solar Company Limited	Thailand	Solar power plant	9 9 . 9 9
NW Green Power Company Limited	Thailand	Solar power plant	9 9 . 9 9
NW Energy Company Limited	Thailand	Solar power plant	9 9 . 9 9
Sky Solar Roof Company Limited	Thailand	Solar power plant	9 9 . 9 9
Sky Solar Power Company Limited	Thailand	Solar power plant	9 9 . 9 9
Solar Town Company Limited	Thailand	Solar power plant	9 9 . 9 9
Sunny Solar Company Limited	Thailand	Solar power plant	9 9 . 9 9
Sun Link Power Company Limited	Thailand	Solar power plant	9 9 . 9 9
Renenergy Solar Company Limited	Thailand	Management service for solar power plant	9 9 . 9 9
Joint venture			
Pan Orient Energy (Siam) Ltd. (held by Sea Oil Energy Limited)	Islands of Bermuda	Exploration, development and production of petroleum and natural gas	4 9 . 9 9

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 23 February 2018.



2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below.

2.1 Basis of preparation of financial statements

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

During 2017, the Company acquired the Company under common control from the parent. Therefore, the Company represented the consolidated financial statements for 2016 as if those subsidiaries had been the Company's subsidiaries before 1 January 2016. The accounting policies are disclosed in Note 2.3.4. The Company additionally presented the consolidated statement of financial position as at 1 January 2016.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Critical accounting estimates, judgements and assumptions to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Revised financial reporting standards

2.2.1 Revised financial reporting standards and interpretations are effective on 1 January 2017. Standard that is relevant and has a significant impact to the Group is:

TAS 27 (revised 2016) Separate financial statements

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revise 2016) in addition to measurement at cost or at fair value (when announced) previously allowed. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). When entity changes to equity method, it shall apply change retrospectively. The Group measured all categories of its investment in the separate financial statements at cost, therefore, this standard does not have impact the Group.



2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018. Standards that have significant changes and are relevant to the Group and the Group has not yet adopted these revised standards are:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash transactions.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosures.



2 Accounting policies (Cont'd)

2.3 Investments in subsidiaries and a joint venture

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3.2 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

2.3.3 Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.



2 Accounting policies (Cont'd)

2.3 Investments in subsidiaries and a joint venture (Cont'd)

2.3.4 Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attributable to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus/shortage arising from business combination under common control" in equity and is derecognised when the investment is disposed by transferring to retained earnings.

2.3.5 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operation

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements line by line under the appropriate headings.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in a joint venture are accounted for using the equity method.

2.3.6 Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased by sharing of the profit or loss of the investee after the date of acquisition. The Group's investment in joint venture includes goodwill identified on acquisition.

If the ownership interest in joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from a reduction in the ownership interest in joint venture is recognised in profit or loss.

The Group's share of its joint venture's post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in joint venture equals or exceeds its interest in and joint venture, together with any long-term interests that, in substance, form part of the entity's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.



2 Accounting policies (Cont'd)

2.3 Investments in subsidiaries and a joint venture (Cont'd)

2.3.6 Accounting under equity method (Cont'd)

The Group determines at each reporting date whether there is any objective evidence that the investment in joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the loss to share of profit (loss) of joint venture in profit or loss.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3.7 Separate financial statements

In the separate financial statements, investments in subsidiaries and joint venture are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration. Cost also includes direct attributable costs of investment.

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.



2 Accounting policies (Cont'd)

2.6 Trade accounts receivable

Trade accounts receivable is carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. Goods in transit represent the en-route fuel oil and bunkers which are being delivered to the customers. They are stated at the lower of cost or net realisable value. Cost is determined by the specific method. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 General investments

General investments are investments in non-marketable equity securities.

General investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction costs.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 Property, plant and equipment

Land is stated at cost less allowance for impairment (if any). Building and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation of equipment is calculated using the straight line method to allocate its cost to its residual values over estimated useful lives, as the following:

Building	20 years
Fixtures and office equipment	3 - 5 years
Solar power equipment	10 years
Vehicles	5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (described in Note 2.11).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.



2 Accounting policies (Cont'd)

2.10 Intangible assets

Computer software

Expenditure on acquired computer software is capitalised as intangible asset on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over its estimated useful lives of 10 years.

2.11 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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 assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable. Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date.

2.12 Leases - where a Group company is the lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.



2 Accounting policies (Cont'd)

2.14 Deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefits

(a) Short-term benefits

The Group recognises salaries, wages, bonuses and contribution to social security fund as expenses when incur.

(b) Retirement benefits

The Group operates retirement benefit schemes which include defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement arising from experience adjustments and changes in actuarial assumptions is charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.



2 Accounting policies (Cont'd)

2.16 Share-based payment

The Group recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or when the services are received. The Group recognises a corresponding increase in equity if the goods or services are received in an equity-settled share-based payment transaction, or a liability if the goods or services are acquired in a cash-settled share-based payment transaction.

For equity-settled share-based payment transactions, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, the Group then measures the value of goods or services and the corresponding increase in equity to the fair value of the equity instruments granted.

2.17 Provisions

Provisions are recognised when the Group 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 the amount has been reliably estimated. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Revenue recognition

(a) Revenue from sales and services

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

(b) Other income

Dividend income is recognised when rights to receive dividends are established.

Interest income is recognised using the effective interest method.

Other income is recognised on an accrual basis.

2 Accounting policies (Cont'd)

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividend is approved by the Board of Directors.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Company's Board of Executive that makes strategic decisions.

3 Financial risk management

3.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets.

(c) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies to limit the appropriate amount of credit exposure to each financial institution.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts and interest rate swap agreements. Such instruments are not recognised in the financial statements on inception. They are recognised in profit and loss on settlement date.

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The Group does not recognise foreign currency forward contracts transaction in the financial statements until the contracts are settled.



3 Financial risk management (Cont'd)

3.3 Fair value estimation

The different levels of fair value estimation have been defined as follows:

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

The following information presents fair value of the derivatives that are not recognised in the statement of financial position as at 31 December 2017.

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Assets				
Foreign currency forward contract	231,426	42,362	28,700	42,362
Liabilities				
Foreign currency forward contract	-	29,100	-	29,100

The fair value of derivatives is determined in level 2 using forward rate of foreign currency against Thai Baht at the date of statement of financial position and discounted by Thai Baht interest rate which can be obtained from observable market.

The Group discloses fair value of debentures and long-term loans to subsidiaries in Notes 17 and 29.4, respectively.

4 Critical accounting estimates, judgments and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Critical accounting estimates, judgements and assumptions are as follows:

(a) Allowance for doubtful accounts

The determination of the allowance for doubtful accounts requires the use of various assumptions and judgements by the management, which includes the estimated collection losses on receivables, based on the Group's collection experience together with a review of the financial position of the debtors. The management reviews these estimates and assumptions on a regular basis.

(b) Impairment of investments in subsidiaries and joint ventures

The Group tests whether investments have suffered any impairment when indicators of impairment trigger. The recoverable amounts of cash-generating units have been determined based on the fair value less costs to sell or value-in-use calculations. In calculating value-in-use, the Group estimates the present value of future cash flows expected to arise from the cash-generating unit. Significant estimates and assumptions used are price and production volume determined in calculating net income of the cash-generated units, and discount rate which reflects risk of the particular cash-generating unit as disclosed in Note 10.2.

(c) Retirement benefits

The present value of the retirement benefit obligations depends on a number of factors that are determined by an actuarial basis comprising a number of assumptions, including the discount rate, inflation rate and salary increment. Any changes in these assumptions will have an impact on the carrying amount of retirement benefit obligations. The additional information of key assumptions is disclosed in Note 19.



5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares.

6 Segment information

Segment information is presented in respect of the Group's 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 by segment operating profit.

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 finance costs and income tax expenses and corporate common assets.

The Group operates in 5 operating segments as follows;

- A) Maritime sales of fuel oil and lubricant oil
- B) Land sales and other channels' sales of fuel oil and lubricant oil
- C) Catering service - providing both offshore and onshore (accommodation vessel)
- D) Electricity generation from solar power plant and sales of solar cell equipment
- E) Production and retail sale of solvent and petrochemical products

The Group has presented its operating segment in the current year differs from the previous year due to changes in internal reporting and from the acquisition of business combination under common control in 2017. Therefore, the Group represented the prior year's segment information to be consistent with the operating segments in the current year.



6 Segment information (Cont'd)

Operating segment information is as follows:

	Segment A Baht	Segment B Baht	Segment C Baht	Segment D Baht	Segment E Baht	Total Baht
For the year ended 31 December 2017						
Revenue from external customers	3,507,002,815	62,840,740	105,679,660	140,497,907	-	3,816,021,122
Segment operating profit (loss)	96,079,877	1,135,997	8,278,966	24,879,034	(28,053,639)	102,320,235
31 December 2017						
Trade receivables - net	337,193,182	7,578,955	4,768,407	89,046,417	-	438,586,961
Other assets (corporate assets)						2,166,277,763
Total assets						2,604,864,724
	Segment A Baht	Segment B Baht	Segment C Baht	Segment D Baht	Segment E Baht	Total Baht
For the year ended 31 December 2016						
Revenue from external customers	3,438,456,322	162,501,169	186,492,670	67,245,614	-	3,854,695,775
Segment operating profit (loss)	175,653,358	(2,747,732)	7,795,569	18,565,916	(1,631,934)	197,635,177
31 December 2016						
Trade receivable - net	444,414,035	16,455,220	27,592,883	8,268,796	-	496,730,934
Other assets (corporate assets)						2,257,391,159
Total assets						2,754,122,093

Segment operating profit can be reconciled to the Group's profit for the year as follows:

	Consolidated	
	2017 Baht	2016 Baht
Segment operating profit	102,320,235	197,635,177
Reconciling items:		
Other income - head office	2,188,967	931,569
Administrative expenses - head office	(94,447,156)	(96,516,185)
Gains (losses) on exchange rate, net- head office	(30,567,508)	1,907,386
Finance costs - head office	(49,402,186)	(55,500,349)
Share of profit (loss) from a joint venture	(36,652,354)	(39,589,238)
Income tax expense	281,584	(13,512,001)
Loss for the year	(106,278,418)	(4,643,641)

For the year ended 31 December 2017, the Group earned revenues from five major customers amounting to Baht 1,276.54 million, generated from segment A by Baht 1,276.54 million, representing 33.45% of the Group's total revenues from sales and services.

For the year ended 31 December 2016, the Group earned revenues from five major customers amounting to Baht 695.98 million, generated from segment A by Baht 593.15 million and segment C by Baht 102.83 million representing 18.06% of the Group's total revenues from sales and services



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6 Segment information (Cont'd)

Geographic information

The Group operates in both Thailand and foreign countries. Financial information by geographic segment is as follows:

	For the year ended 31 December 2017									
	Segment A		Segment B		Segment C		Segment D		Segment E	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Revenue from sales and services	827,847,093	2,679,155,722	62,840,740	-	105,679,660	-	140,497,907	-	-	-
Segment operating profit (loss)	44,287,477	51,792,400	1,135,997	-	8,278,966	-	24,879,034	-	(28,053,639)	-
	For the year ended 31 December 2016									
	Segment A		Segment B		Segment C		Segment D		Segment E	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Revenue from sales and services	1,072,463,933	2,365,992,389	162,501,169	-	186,492,670	-	67,245,614	-	-	-
Segment operating profit (loss)	121,653,412	53,999,946	(2,747,732)	-	7,795,569	-	18,565,916	-	(1,631,934)	-

The revenue from sales and services of segment A in foreign countries is revenue from Singapore of Baht 2,312.27 million (2016: Baht 2,005.80 million) and Malaysia of Baht 366.89 million (2016: Baht 360.19 million).

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Cash on hand	3,138,379	36	-	-
Deposits with banks - current accounts	166,938,656	164,955,643	62,246,193	45,783,194
Deposits with banks - savings accounts	1,142,308	94,729,952	389,819	92,255,734
Deposits with banks - fixed accounts	687,037	-	-	-
	<u>171,906,380</u>	<u>259,685,631</u>	<u>62,636,012</u>	<u>138,038,928</u>

The interest rates on savings deposits with banks were 0.50% - 0.63% per annum (2016: 0.50% per annum) and fixed deposits with banks were 0.95% per annum (2016: 0.95% - 1.00% per annum).

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Trade receivables				
- other parties	406,127,785	453,453,558	122,398,969	110,323,745
- related parties (Note 29.3)	35,839,389	33,720,598	33,277,905	40,455,981
<u>Less</u> Allowance for doubtful accounts	<u>(11,336,857)</u>	<u>(9,892,815)</u>	<u>(8,762,015)</u>	<u>(9,892,815)</u>
Trade receivables - net	430,630,317	477,281,341	146,914,859	140,886,911
Accrued income - other parties	7,956,644	19,449,593	2,528,582	13,912,737
	<u>438,586,961</u>	<u>496,730,934</u>	<u>149,443,441</u>	<u>154,799,648</u>
Other receivables - related parties (Note 29.3)	163,242	95,810	5,443,457	2,817,217
Interest receivable - related parties (Note 29.3)	-	-	22,430,734	9,750,565
Advance payment for purchasing of goods and services	14,803,854	72,373,253	12,365,027	11,392,924
Others	3,569,890	3,387,013	1,484,471	1,229,557
	<u>457,123,947</u>	<u>572,587,010</u>	<u>191,167,130</u>	<u>179,989,911</u>

The age analysis of the trade receivables is as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Current	312,396,016	351,328,128	92,925,950	101,517,044
Overdue				
1 - 60 days	110,439,605	122,298,676	50,181,159	37,901,267
61 -120 days	5,424,165	724,600	2,704,264	724,600
121 - 180 days	400,122	689,200	400,121	689,200
Over 180 days	13,307,266	12,133,552	9,465,380	9,947,615
	<u>441,967,174</u>	<u>487,174,156</u>	<u>155,676,874</u>	<u>150,779,726</u>
<u>Less</u> Allowance for doubtful accounts	<u>(11,336,857)</u>	<u>(9,892,815)</u>	<u>(8,762,015)</u>	<u>(9,892,815)</u>
	<u>430,630,317</u>	<u>477,281,341</u>	<u>146,914,859</u>	<u>140,886,911</u>



9 Inventories

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Raw materials	5,779,286	-	917,039	-
Finished goods	19,626,286	-	-	-
Goods in transit	11,801,932	205,500	-	205,500
Spare parts	391,173	363,331	-	-
	37,598,677	568,831	917,039	205,500

10 Investments in subsidiaries and interests in joint venture

10.1 Investments in subsidiaries

All subsidiaries are included in the consolidated financial statements. Share capital of subsidiaries is only ordinary shares. The proportion of ownership interests held by the Group equals the voting rights in subsidiaries.

The investments in subsidiaries are as follows:

Company	Incorporated country	Nature of business	Investment portion (%)	
			31 December 2017 (%)	31 December 2016 (%)
Direct subsidiaries				
Sea Oil Energy Limited	Islands of Bermuda	Holding company	100.00	100.00
Sea Oil Offshore Limited	Malaysia	Retail sale of fuel oil and related products	100.00	100.00
Sea Oil Petroleum Pte. Ltd.	Singapore	Retail sale of fuel oil and related products	75.00	75.00
Sea Oil Petrochemical Company Limited ¹	Thailand	Production and retail sale of solvent and related products	99.99	99.99
Living Energy Company Limited	Thailand	Holding company	99.99	-
Indirect subsidiaries (held by Living Energy Company Limited)				
NW Solar Company Limited	Thailand	Solar power plant	99.99	-
NW Green Power Company Limited	Thailand	Solar power plant	99.99	-
NW Energy Company Limited	Thailand	Solar power plant	99.99	-
Sky Solar Roof Company Limited	Thailand	Solar power plant	99.99	-
Sky Solar Power Company Limited	Thailand	Solar power plant	99.99	-
Solar Town Company Limited	Thailand	Solar power plant	99.99	-
Sunny Solar Company Limited	Thailand	Solar power plant	99.99	-
Sun Link Power Company Limited	Thailand	Solar power plant	99.99	-
Renergy Solar Company Limited	Thailand	Management service for solar power plant	99.99	-

¹ Nakornchai Prakarn Chemical Product Company Limited changed its name to Sea Oil Petrochemical Company Limited on 23 February 2017.



10 Investments in subsidiaries and interests in joint venture (Cont'd)

10.1 Investments in subsidiaries (Cont'd)

The detail of investments in subsidiaries under cost method is as follows;

	Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht
Sea Oil Energy Limited	32	32
Sea Oil Offshore Limited	977,400	977,400
Sea Oil Petroleum Pte. Ltd	26,972,597	26,972,597
Sea Oil Petrochemical Company Limited	149,323,947	135,823,947
Living Energy Company Limited	193,158,944	-
	<u>370,432,920</u>	<u>163,773,976</u>

Movement in the investment in subsidiaries is as follows:

	Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht
Opening balance	163,773,976	1,332,229
Addition	206,658,944	162,441,747
Ending balance	<u>370,432,920</u>	<u>163,773,976</u>

Sea Oil Petrochemical Company Limited

On 22 May 2017, Sea Oil Petrochemical Company Limited increased the registered ordinary share capital of 0.54 million shares, forming the new registered share capital of 2.04 million shares with par value at Baht 100 per share. During the period, the Company paid for the increased ordinary shares at Baht 25 per share, totalling Baht 13.50 million.

Living Energy Company Limited

On 24 February 2017, the Company purchased 99.99% of ordinary shares of Living Energy Co., Ltd. in the aggregated number of 0.75 million shares at Baht 249.80 per share, totalling Baht 188.00 million from an entity under common control. The Company recognised other transaction costs of Baht 5.16 million, which were directly relating to the acquisition of the investment as costs of the investment in the separate financial statements. In combination, total cost of the investment is Baht 193.16 million (Note 11).

The Company has followed the requirement of taxation for the acquisition of ordinary shares as above by applying an entire business transfer method. The Company recorded the value of shares acquired by the book value of the seller as at the date of the transfer.

10.2 Investment in a joint venture

Investment in a joint venture is as follows;

Company	Incorporated country	Nature of Business	Investment portion	
			31 December 2017 (%)	31 December 2016 (%)
Pan Orient Energy (Siam) Ltd.	Islands of Bermuda	Exploration, development and production of petroleum and natural gas	49.99	49.99

The Group classified the investment in Pan Orient Energy (Siam) Ltd. as a joint venture as the significant decisions on the investee's operations require unanimous vote by all shareholders.

Pan Orient Energy (Siam) Ltd. currently operates a petroleum concession Block L53/48 at Kamphaeng Saen District, Nakorn Pathom Province.

10 Investments in subsidiaries and interests in joint venture (Cont'd)

10.2 Investment in a joint venture (Cont'd)

The detail of investment in a joint venture under equity method is as follows:

	Consolidated financial statements	
	31 December 2017 Baht	31 December 2016 Baht
Pan Orient Energy (Siam) Ltd.	1,265,688,243	1,302,340,597
	<u>1,265,688,243</u>	<u>1,302,340,597</u>

The cost of investment in Pan Orient Energy (Siam) Ltd. is Baht 1,387.80 million.

Movement in the investment in a joint venture is as follows:

	Consolidated financial statements	
	2017 Baht	2016 Baht
For the year ended 31 December		
Opening balance	1,302,340,597	1,341,929,835
Share of loss	(36,652,354)	(39,589,238)
Closing balance	<u>1,265,688,243</u>	<u>1,302,340,597</u>

The following table provides a summary of financial information for a joint venture. The information is included in the financial statements of the joint venture (which is not just the share of the Group's business in the joint venture), which has been restated with the adjustments required to comply with the equity method. These include adjustments to fair values at the date of acquisition and the differences in accounting policies between the Group and the joint venture.

The financial information for Pan Orient Energy (Siam) Ltd. is as follows:

	31 December 2017 Baht'000	31 December 2016 Baht'000
Statement of financial position as at 31 December		
Assets		
Cash and cash equivalents	218,065	69,237
Other current assets	490,434	61,390
Non-current assets	<u>3,492,867</u>	<u>4,189,223</u>
Total assets	<u>4,201,366</u>	<u>4,319,850</u>
Liabilities		
Current liabilities	45,768	16,693
Non-current liabilities	<u>1,623,968</u>	<u>1,698,215</u>
Total liabilities	<u>1,669,736</u>	<u>1,714,908</u>
Net assets	<u>2,531,630</u>	<u>2,604,942</u>



10 Investments in subsidiaries and interests in joint venture (Cont'd)

10.2 Investment in a joint venture (Cont'd)

Statement of comprehensive income for the year ended
31 December

	2017 Baht'000	2016 Baht'000
Revenue	310,011	244,206
Depreciation and amortisation	(330,936)	(294,613)
Cost and administrative expenses	(126,601)	(116,505)
Loss from operations	(147,526)	(166,912)
Income tax	74,214	87,726
Net loss	(73,312)	(79,186)

Reconciliation of the summarised financial information presented to the carrying amount of interest in joint venture:

	2017 Baht'000	2016 Baht'000
Net assets as at 1 January	2,604,942	2,684,128
Loss for the period	(73,312)	(79,186)
Net assets as at 31 December	2,531,630	2,604,942
Interest in joint venture (49.99%)	1,265,688	1,302,341
Carrying value as at 31 December	1,265,688	1,302,341

The Company tests impairment of investment in a joint venture at the year end. The recoverable amounts of investment in a joint venture have been determined based on value-in-use calculation. This calculation uses cash flow projection from the petroleum concession. It is based on an estimation of the petroleum reserves petroleum resources and future oil prices provided by specialist. The Group applies weighted average cost of capital at 7.73 - 11.60% per annum as discount rate for net cash flows received from the petroleum reserves and petroleum resources.

The calculation showed the recoverable amount exceeded carrying value by Baht 501.75 million. An increase in discount rate of 7.32% resulting the rate to be 15.05 to 18.92% per annum or a reduction of annual future oil prices by 19.00% would remove the excessive amount of the recoverable amount.

11 Business combination under common control

On 24 February 2017, the Company purchased 99.99% of ordinary shares of Living Energy Company Limited from Sunny Phum Company Limited which is controlled by its parent company, Nathalin Company Limited. Such acquisition is considered as a business combination under the same control.

Living Energy Co., Ltd. has invested in subsidiaries, which are engaged in a solar power plant business in Thailand ("the Solar Group") as follows:

Company	Details of shareholding			Investment portion (%)
	Number of share Share'000	Par value Baht	Total Baht'000	
NW Solar Company Limited	74.00	100	7,400	99.99
NW Green Power Company Limited	180.00	100	18,000	99.99
NW Energy Company Limited	90.00	100	9,000	99.99
Sky Solar Roof Company Limited	90.00	100	9,000	99.99
Sky Solar Power Company Limited	100.00	100	10,000	99.99
Solar Town Company Limited	90.00	100	9,000	99.99
Sunny Solar Company Limited	74.00	100	7,400	99.99
Sun Link Power Company Limited	34.00	100	3,400	99.99
Renergy Solar Company Limited	20.60	100	2,060	99.99

Renergy Solar Company Limited registered for liquidation with the Ministry of Commerce on 25 September 2017. The liquidation is currently in process. The subsidiary provided services to other companies within the Solar Group. The operation of Renergy Solar Company Limited therefore did not impact to the operating segments.

The detail of considerations transferred for the business acquisition and the book value of net assets acquired from the Solar Group at the acquisition date is as follows:

	Baht
Cash and cash equivalents	9,801,142
Trade and other receivables, net	12,884,344
Inventories	363,331
Other current assets	5,165,055
Restricted deposits at financial institutions	13,038,729
Property, plant and equipment, net	372,728,640
Trade and other payables	(2,637,498)
Short-term borrowings from a related party	(600,000)
Current-portion of long-term borrowings from a financial institution	(102,342,000)
Current-portion of long-term borrowings from finance lease liabilities	(360,410)
Other current liabilities	(795,271)
Long-term borrowings from a financial institution	(193,296,000)
Total net assets	113,950,062
Considerations transferred	(188,000,000)
Considerations transferred over book value of net assets recognised in equity	(74,049,938)



11 Business combination under common control (Cont'd)

The Company retrospectively adjusted the consolidated financial statements as if the subsidiaries under common control were acquired before 1 January 2016.

The impact to the consolidated statements of financial position and comprehensive income is as follows:

	As previously reported Baht	Adjustments Baht	As restated Baht
Consolidated statement of financial position as of 1 January 2016			
Current assets			
Cash and cash equivalents	341,781,287	6,353,080	348,134,367
Trade and other receivables, net	409,594,553	6,282,944	415,877,497
Short-term loan to related parties	-	5,220,000	5,220,000
Inventories	2,910,737	-	2,910,737
Other current assets	14,604,842	9,123,121	23,727,963
Total current assets	768,891,419	26,979,145	795,870,564
Non-current assets			
Restricted deposits at financial institutions	-	1,966,720	1,966,720
Investment in a joint venture	1,341,929,835	-	1,341,929,835
General investment - a related party	17,533,500	-	17,533,500
Property, plant and equipment, net	5,786,826	393,135,573	398,922,399
Intangible assets, net	3,111,277	-	3,111,277
Deferred tax assets	2,419,326	-	2,419,326
Other non-current assets	27,766,057	200	27,766,257
Total non-current assets	1,398,546,821	395,102,493	1,793,649,314
Total assets	2,167,438,240	422,081,638	2,589,519,878
Liabilities			
Current liabilities			
Short-term borrowings from related parties	-	18,910,000	18,910,000
Short-term borrowings from a financial institution	-	10,000,000	10,000,000
Current-portion of long-term borrowings from a financial institution	-	29,928,000	29,928,000
Current-portion of finance lease liabilities	-	279,845	279,845
Trade and other payables	75,071,930	2,500,416	77,572,346
Current income tax payable	167,302	-	167,302
Other current liabilities	14,231,571	55,922	14,287,493
Total current liabilities	89,470,803	61,674,183	151,144,986
Non-current liabilities			
Long-term borrowings from a financial institution	-	298,132,000	298,132,000
Debentures	996,434,038	-	996,434,038
Finance lease liabilities	-	409,715	409,715
Employee benefit obligations	2,845,429	-	2,845,429
Total non-current liabilities	999,279,467	298,541,715	1,297,821,182
Total liabilities	1,088,750,270	360,215,898	1,448,966,168
Share capital			
Equity attributable to owners of the parent	1,078,687,970	-	1,078,687,970
Non-controlling interests:			
- Other owners' interest arising from business combination under common control	-	61,865,740	61,865,740
- Other non-controlling interests	-	-	-
Total equity	1,078,687,970	61,865,740	1,140,553,710
Total liabilities and equity	2,167,438,240	422,081,638	2,589,519,878



11 Business combination under common control (Cont'd)

The impact to the consolidated statements of financial position and comprehensive income is as follows:
(Cont'd)

	As previously reported Baht	Adjustments Baht	As restated Baht
Consolidated statement of financial position as of 31 December 2016			
Current assets			
Cash and cash equivalents	254,535,995	5,149,636	259,685,631
Trade and other receivables, net	563,644,946	8,942,064	572,587,010
Inventories	205,500	363,331	568,831
Other current assets	17,859,418	5,372,109	23,231,527
Total current assets	836,245,859	19,827,140	856,072,999
Non-current assets			
Restricted deposits at financial institutions	680,620	16,762,970	17,443,590
Investment in a joint venture	1,302,340,597	-	1,302,340,597
General investment - a related party	17,533,500	-	17,533,500
Property, plant and equipment, net	150,692,021	375,361,060	526,053,081
Intangible assets, net	3,091,870	-	3,091,870
Deferred tax assets	4,919,839	-	4,919,839
Other non-current assets	26,666,617	-	26,666,617
Total non-current assets	1,505,925,064	392,124,030	1,898,049,094
Total assets	2,342,170,923	411,951,170	2,754,122,093
Liabilities			
Current liabilities			
Current-portion of long-term borrowings from a financial institution	-	102,468,000	102,468,000
Current-portion of finance lease liabilities	-	303,055	303,055
Trade and other payables	180,637,912	2,003,430	182,641,342
Current income tax payable	244,858	2,306	247,164
Current portion of debentures	998,290,285	-	998,290,285
Other current liabilities	5,692,817	424,436	6,117,253
Total current liabilities	1,184,865,872	105,201,227	1,290,067,099
Non-current liabilities			
Long-term borrowings from a financial institution	-	195,664,000	195,664,000
Finance lease liabilities	-	106,660	106,660
Employee benefit obligations	3,476,713	-	3,476,713
Total non-current liabilities	3,476,713	195,770,660	199,247,373
Total liabilities	1,188,342,585	300,971,887	1,489,314,472
Share capital			
Equity attributable to owners of the parent	1,146,340,394	-	1,146,340,394
Non-controlling interests:			
- Other owners' interest arising from business combination under common control	-	110,979,283	110,979,283
- Other non-controlling interests	7,487,944	-	7,487,944
Total equity	1,153,828,338	110,979,283	1,264,807,621
Total liabilities and equity	2,342,170,923	411,951,170	2,754,122,093



11 Business combination under common control (Cont'd)

The impact to the consolidated statements of financial position and comprehensive income is as follows:
(Cont'd)

	As previously reported Baht	Adjustments Baht	As restated Baht
Consolidated statement of comprehensive income for the year ended 31 December 2016			
Revenue from sales and services	3,787,450,161	67,245,614	3,854,695,775
Cost of sales and services	(3,508,467,523)	(30,878,832)	(3,539,346,355)
Gross profit	278,982,638	36,366,782	315,349,420
Other income	2,774,182	250,842	3,025,024
Selling expenses	(88,322,330)	-	(88,322,330)
Administrative expenses	(109,503,801)	(2,961,400)	(112,465,201)
Other gains (losses) - exchange rates, net	1,899,712	(1,465)	1,898,247
Finance costs	(55,938,719)	(15,088,843)	(71,027,562)
Profit before share of profit (loss) from a joint venture	29,891,682	18,565,916	48,457,598
Share of profit (loss) from a joint venture	(39,589,238)	-	(39,589,238)
Profit before income tax	(9,697,556)	18,565,916	8,868,360
Income tax	(13,509,628)	(2,373)	(13,512,001)
Profit (loss) for the year	(23,207,184)	18,563,543	(4,643,641)
Other comprehensive income	(197,821)	-	(197,821)
Other comprehensive income for the year	(23,405,005)	18,563,543	(4,841,462)
Profit (loss) attributable to:			
Owners of the parent	(23,981,411)	-	(23,981,411)
Other owners' interest from business combination under common control	-	18,563,543	18,563,543
Non-controlling interests	774,227	-	774,227
Total comprehensive income attributable to:			
Owners of the parent	(24,165,786)	-	(24,165,786)
Other owners' interest from business combination under common control	-	18,563,543	18,563,543
Other non-controlling interests	760,781	-	760,781



11 Business combination under common control (Cont'd)

The items included in the consolidated statement of cash flows for the year ended 31 December 2016, which are effected by the business combination under common control, are as follows:

	As previously reported Baht	Adjustments Baht	As restated Baht
Cash flows from operating activities:			
Profit before income tax	(9,697,555)	18,565,915	8,868,360
Adjustments for:			
Depreciation and amortisation	2,790,921	17,806,732	20,597,653
Interest income	(1,076,470)	(128,072)	(1,204,542)
Interest expense	55,938,718	15,088,844	71,027,562
Changes in operating assets and liabilities:			
Trade and other receivables	(175,476,113)	(2,938,663)	(178,414,776)
Goods in transit	2,653,942	(363,331)	2,290,611
Other current assets	(1,832,132)	3,869,358	2,037,226
Restricted deposits at financial institutions	-	(14,796,250)	(14,796,250)
Other non-current assets	3,173,031	200	3,173,231
Trade and other payables	86,158,442	(114,475)	86,043,967
Other current liabilities	(1,502,503)	368,513	(1,133,990)
Income tax paid	(16,018,355)	(118,413)	(16,136,768)
Cash flows from investing activities:			
Purchase of fixed assets	(38,231,878)	(32,220)	(38,264,098)
Proceeds from repayments of loan to a related party	-	5,220,000	5,220,000
Interest received	1,076,470	407,621	1,484,091
Cash flows from financing activities:			
Proceeds from short-term loans from a financial institution	-	(10,000,000)	(10,000,000)
Proceeds from issuance of ordinary shares	-	30,550,000	30,550,000
Repayment on short-term borrowings from a related party	-	(18,910,000)	(18,910,000)
Repayment on long-term borrowings from a financial institution	-	(29,928,000)	(29,928,000)
Repayment on finance lease liabilities	-	(279,845)	(279,845)
Interest paid	(54,082,472)	(15,471,359)	(69,553,831)
Net increase (decrease) in cash and cash equivalents	(86,654,974)	(1,203,445)	(87,858,419)
Cash and cash equivalents at the beginning of the year	341,781,287	6,353,080	348,134,367
Exchange gains (losses) on cash and cash equivalents	(590,317)	-	(590,317)
Cash and cash equivalents at the end of the year	254,535,996	5,149,635	259,685,631

12 General investment - a related party

On 31 March 2017, the Company disposed investment at book value of Baht 17.53 million of ordinary in Khunnathee Company Limited, a company under common control, to Nathalin Company Limited.



Sea Oil Public Company Limited
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13 Property, plant and equipment, net

	Consolidated financial statements						
	Land and land improvements Baht	Building and building improvements Baht	Fixtures and office equipment Baht	Solar power equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2016							
Cost	-	-	10,971,972	409,383,569	1,109,000	711,360	422,175,901
Less Accumulated depreciation	-	-	(5,863,563)	(17,025,944)	(363,995)	-	(23,253,502)
Net book amount	-	-	5,108,409	392,357,625	745,005	711,360	398,922,399
For the year ended 31 December 2016							
Opening net book amount	-	-	5,108,409	392,357,625	745,005	711,360	398,922,399
Invest in a subsidiary - asset acquisition	65,397,257	-	-	-	-	34,062,621	99,459,878
Addition	-	-	324,607	32,220	111,405	47,348,500	47,816,732
Depreciation charged (Note 26)	-	-	(2,301,992)	(17,577,069)	(231,134)	-	(20,110,195)
Exchange differences	-	-	(35,733)	-	-	-	(35,733)
Closing net book amount	65,397,257	-	3,095,291	374,812,776	625,276	82,122,481	526,053,081
At 31 December 2016							
Cost	65,397,257	-	11,274,678	409,415,789	1,220,405	82,122,481	569,430,610
Less Accumulated depreciation	-	-	(8,179,387)	(34,603,013)	(595,129)	-	(43,377,529)
Net book amount	65,397,257	-	3,095,291	374,812,776	625,276	82,122,481	526,053,081



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Property, plant and equipment, net Cont'd)

	Consolidated financial statements						
	Land and land improvements Baht	Building and building improvements Baht	Fixtures and office equipment Baht	Solar power equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2017							
Cost	65,397,257		11,274,678	409,415,789	1,220,405	82,122,481	569,430,610
Less Accumulated depreciation	-		(8,179,387)	(34,603,013)	(595,129)	-	(43,377,529)
Net book amount	65,397,257		3,095,291	374,812,776	625,276	82,122,481	526,053,081
For the year ended 31 December 2017							
Opening net book amount	65,397,257	-	3,095,291	374,812,776	625,276	82,122,481	526,053,081
Addition	-	-	6,163,229	1,470,404	-	92,279,761	99,913,394
Transferred-in (out)	-	14,624,823	-	-	-	(14,624,823)	-
Disposal							
- Cost	-	-	(39,321)	(1,847,720)	(1,109,000)	(920,669)	(3,916,710)
- Accumulated depreciation	-	-	17,495	426,139	677,553	-	1,121,187
Write-off							
- Cost	-	(176,798)	(1,659,900)	-	-	(574,089)	(2,410,787)
- Accumulated depreciation	-	-	761	-	-	-	761
Depreciation charged (Note 26)	-	(78,079)	(1,848,914)	(17,566,086)	(114,038)	-	(19,607,117)
Exchange differences	-	-	(201,112)	-	-	-	(201,112)
Closing net book amount	65,397,257	14,369,946	5,527,529	357,295,513	79,791	158,282,661	600,952,697
At 31 December 2017							
Cost	65,397,257	14,448,025	15,503,688	409,038,473	111,405	158,282,661	662,781,509
Less Accumulated depreciation	-	(78,079)	(9,976,159)	(51,742,960)	(31,614)	-	(61,828,812)
Net book amount	65,397,257	14,369,946	5,527,529	357,295,513	79,791	158,282,661	600,952,697

13 Property, plant and equipment, net (Cont'd)

	Separate financial statements			
	Fixtures and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2016				
Cost	7,159,176	-	711,360	7,870,536
<u>Less</u> Accumulated depreciation	(5,516,803)	-	-	(5,516,803)
Net book amount	1,642,373	-	711,360	2,353,733
For the year ended 31 December 2016				
Opening net book amount	1,642,373	-	711,360	2,353,733
Addition	152,332	111,405	-	263,737
Depreciation charged (Note 26)	(1,382,034)	(9,334)	-	(1,391,368)
Closing net book amount	412,671	102,071	711,360	1,226,102
At 31 December 2016				
Cost	7,311,509	111,405	711,360	8,134,274
<u>Less</u> Accumulated depreciation	(6,898,838)	(9,334)	-	(6,908,172)
Net book amount	412,671	102,071	711,360	1,226,102
For the year ended 31 December 2017				
Opening net book amount	412,671	102,071	711,360	1,226,102
Addition	329,286	-	-	329,286
Depreciation charged (Note 26)	(300,063)	(22,280)	-	(322,343)
Closing net book amount	441,894	79,791	711,360	1,233,045
At 31 December 2017				
Cost	7,640,795	111,405	711,360	8,463,560
<u>Less</u> Accumulated depreciation	(7,198,901)	(31,614)	-	(7,230,515)
Net book amount	441,894	79,791	711,360	1,233,045

The borrowing costs of Baht 6.62 million (2016: None) are capitalised in acquisition cost of assets and presented in "addition" in the consolidated financial statements. The Group uses a capitalisation rate of 5.41% to calculate borrowing costs eligible for capitalisation

Property, plant and equipment of the Group include the assets of a subsidiary of Baht 577.78 million, which are pledged as collateral for loans from a financial institution (Note 17).

14 Intangible assets - net

	Consolidated financial statements Computer software Baht	Separate financial statements Computer software Baht
At 1 January 2016		
Cost	4,763,486	3,683,113
<u>Less</u> Accumulated amortisation	(1,652,209)	(1,650,399)
Net book amount	3,111,277	2,032,714
For the year ended 31 December 2016		
Opening net book amount	3,111,277	2,032,714
Addition	470,430	-
Amortisation charged (Note 26)	(487,458)	(369,030)
Exchange differences	(2,379)	-
Closing net book amount	3,091,870	1,663,684
At 31 December 2016		
Cost	5,233,356	3,683,113
<u>Less</u> Accumulated amortisation	(2,141,486)	(2,019,429)
Net book amount	3,091,870	1,663,684
For the year ended 31 December 2017		
Opening net book amount	3,091,870	1,663,684
Addition	344,500	-
Amortisation charged (Note 26)	(499,714)	(352,126)
Exchange differences	(120,112)	-
Closing net book amount	2,816,544	1,311,558
At 31 December 2017		
Cost	5,452,307	3,683,113
<u>Less</u> Accumulated amortisation	(2,635,763)	(2,371,555)
Net book amount	2,816,544	1,311,558



15 Deferred income tax

The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	-	-	-	-
Deferred tax asset to be recovered after 12 months	8,708,743	5,261,782	4,915,839	2,673,906
	<u>8,708,743</u>	<u>5,261,782</u>	<u>4,915,839</u>	<u>2,673,906</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	(341,943)	-	(341,943)
Deferred tax liability to be settled after 12 months	-	-	-	-
	<u>-</u>	<u>(341,943)</u>	<u>-</u>	<u>(341,943)</u>
Deferred tax asset (net)	<u>8,708,743</u>	<u>4,919,839</u>	<u>4,915,839</u>	<u>2,331,963</u>

The movement of deferred income tax is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	4,919,839	2,419,326	2,331,963	2,419,326
Charged/(credited) to profit or loss	3,257,286	2,500,513	2,052,258	(87,363)
Charged/(credited) to other comprehensive income	531,618	-	531,618	-
At 31 December	<u>8,708,743</u>	<u>4,919,839</u>	<u>4,915,839</u>	<u>2,331,963</u>

The movement in deferred tax assets and liabilities is as follows:

	Consolidated financial statements				
	Allowance for doubtful debt Baht	Employee benefit obligations Baht	Amortised interest of promissory notes Baht	Tax loss carry forward Baht	Total Baht
Deferred tax assets					
At 1 January 2016	2,563,433	569,085	-	-	3,132,518
Charged/(credited) to profit or loss	(584,870)	126,258	-	2,587,876	2,129,264
At 31 December 2016	1,978,563	695,343	-	2,587,876	5,261,782
Charged/(credited) to profit or loss	(226,160)	137,878	1,798,597	1,205,028	2,915,343
Charged/(credited) to other comprehensive income	-	531,618	-	-	531,618
At 31 December 2017	<u>1,752,403</u>	<u>1,364,839</u>	<u>1,798,597</u>	<u>3,792,904</u>	<u>8,708,743</u>



15 Deferred income tax (Cont'd)

The movement in deferred tax assets and liabilities is as follows (Cont'd):

	Consolidated financial statements	
	Discount of Debentures Baht	Total Baht
Deferred tax liabilities		
At 1 January 2016	713,192	713,192
Charged/(credited) to profit or loss	(371,249)	(371,249)
At 31 December 2016	341,943	341,943
Charged/(credited) to profit or loss	(341,943)	(341,943)
At 31 December 2017	-	-

	Separate financial statements			
	Allowance for doubtful debt Baht	Employee benefit obligations Baht	Amortised interest of promissory notes Baht	Total Baht
Deferred tax assets				
At 1 January 2016	2,563,433	569,085	-	3,132,518
Charged/(credited) to profit or loss	(584,870)	126,258	-	(458,612)
At 31 December 2016	1,978,563	695,343	-	2,673,906
Charged/(credited) to profit or loss	(226,160)	137,878	1,798,597	1,710,315
Charged/(credited) to other comprehensive income	-	531,618	-	531,618
At 31 December 2017	1,752,403	1,364,839	1,798,597	4,915,839

	Separate financial statements	
	Discount of debentures Baht	Total Baht
Deferred tax liabilities		
At 1 January 2016	713,192	713,192
Charged/(credited) to profit or loss	(371,249)	(371,249)
At 31 December 2016	341,943	341,943
Charged/(credited) to profit or loss	(341,943)	(341,943)
At 31 December 2017	-	-

Deferred tax assets for unused tax losses are recognised only to the extent that it is probable that future taxable profits will be available. The Group has not recognised income tax assets of Baht 0.35 million (2016: None) arising from tax loss of Baht 1.77 million (2016: None) that could be offset against future taxable income. The loss amounting to Baht 1.77 million (2016: None) will expire in 2019.



16 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Refundable valued added tax	24,655,526	24,663,617	24,655,526	24,663,616
Advance for purchase of assets	-	2,000,000	-	-
Deposit	3,000	3,000	-	-
Capitalised transaction costs	-	-	-	3,658,944
	<u>24,658,526</u>	<u>26,666,617</u>	<u>24,655,526</u>	<u>28,322,560</u>

Refundable valued added tax of Baht 24.66 million is the amount that the Company has been refunding for valued added tax during 2013 - 2015. The Revenue Department notified the Company to delay for the payment. Currently, the refund is under the process of consideration by the Revenue Department.

17 Borrowings

17.1 Short-term borrowings

Borrowings of the Group and the Company are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Short-term borrowings				
Promissory notes	-	-	-	-
Bills of exchange	396,301,984	-	396,301,984	-
	<u>396,301,984</u>	<u>-</u>	<u>396,301,984</u>	<u>-</u>

	Consolidated financial information			
	Borrowing from a related party Baht (Note 29.5)	Promissory notes Baht	Bills of exchange Baht	Total Baht
At 1 January 2016	18,910,000	10,000,000	-	28,910,000
Repayment	(18,910,000)	(10,000,000)	-	(28,910,000)
At 31 December 2016	-	-	-	-
Addition	600,000	151,000,000	387,308,998	538,908,998
Repayment	(600,000)	(151,000,000)	-	(151,600,000)
Amortised interest	-	-	8,992,986	8,992,986
At 31 December 2017	<u>-</u>	<u>-</u>	<u>396,301,984</u>	<u>396,301,984</u>



17 Borrowings (Cont'd)

17.1 Short-term borrowings (Cont'd)

Borrowings of the Group and the Company are as follows:

	Separate financial statements		
	Promissory note Baht	Bills of Exchange Baht	Total Baht
At 1 January 2016	-	-	-
Addition	150,000,000	387,308,998	537,308,998
Repayment	(150,000,000)	-	(150,000,000)
Amortised interest	-	8,992,986	8,992,986
At 31 December 2017	-	396,301,984	396,301,984

17.1.1 Promissory notes

The Company

On 18 August 2017, the Company issued promissory notes to a financial institution in an amount of Baht 150.00 million. The interest at MLR-1.25 per annum. The repayment is due on 16 November 2017. The Company already settled the borrowings on due date.

Subsidiaries

On 30 June 2017, Sunny Solar Company Limited and NW Energy Company Limited, the subsidiaries under the Solar Group, issued promissory notes to a local financial institution in the total amount of Baht 1.00 million. The promissory notes bear interest at MLR-1.00 per annum. The repayment is due on 28 September 2017. The subsidiaries already settled the borrowings on due date.

17.1.2 Bills of exchange

On 23 August 2017, the Company issued non interest-bearing bills of exchange with the face value of Baht 400.00 million to a local asset management company. The bills were sold at Baht 387.31 million, net from a discount of Baht 12.69 million. The bills' maturity is 6 months and the repayment is due on 23 February 2018. The bills were used to settle debentures due in the third quarter of 2017 (Note 17.2.2).



17 Borrowings (Cont'd)

17.2 Long-term borrowings

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Long-term borrowings				
Borrowing from a parent (Note 29.6)	300,000,000	-	300,000,000	-
Borrowings from a financial institution				
- Current portion	120,592,000	102,468,000	-	-
- Non-current portion	206,416,000	195,664,000	-	-
Debentures				
- Current portion	-	998,290,285	-	998,290,285
- Non-current portion	-	-	-	-
	<u>627,008,000</u>	<u>1,296,422,285</u>	<u>300,000,000</u>	<u>998,290,285</u>

Movement of long-term borrowings is as follows:

	Consolidated financial statements			
	Borrowings from a parent Baht (Note 29.6)	Borrowings from financial institutions Baht	Debentures Baht	Total Baht
At 1 January 2016	-	328,060,000	996,434,038	1,324,494,038
Repayment	-	(29,928,000)	-	(29,928,000)
Amortised discount	-	-	1,856,247	1,856,247
At 31 December 2016	-	298,132,000	998,290,285	1,296,422,285
Addition	300,000,000	60,000,000	-	360,000,000
Repayment	-	(31,124,000)	(1,000,000,000)	(1,031,124,000)
Amortised discount	-	-	1,709,715	1,709,715
At 31 December 2017	300,000,000	327,008,000	-	627,008,000
<u>Less</u> Current portion	-	(120,592,000)	-	(120,592,000)
Non-current portion	<u>300,000,000</u>	<u>206,416,000</u>	<u>-</u>	<u>506,416,000</u>

	Separate financial statements		
	Borrowings from a parent Baht (Note 29.6)	Debentures Baht	Total Baht
At 1 January 2016	-	996,434,038	996,434,038
Amortised discount	-	1,856,247	1,856,247
At 31 December 2016	-	998,290,285	998,290,285
Addition	300,000,000	-	300,000,000
Repayment	-	(1,000,000,000)	(1,000,000,000)
Amortised discount	-	1,709,715	1,709,715
At 31 December 2017	300,000,000	-	300,000,000
<u>Less</u> Current portion	-	-	-
Non-current portion	<u>300,000,000</u>	<u>-</u>	<u>300,000,000</u>



17 Borrowings (Cont'd)

17.2 Long-term borrowings (Cont'd)

17.2.1 Long-term borrowings from a financial institution

Long-term borrowings from a financial institution in the amount of Baht 327.00 million comprise the following:

- 1) Borrowings of the Solar Group from a bank are Baht 267.00 million. The borrowings bear interest at MLR-1.75 to -1.25 per annum. The repayments are made of 120 instalments from the date of receiving the borrowings. All fixed assets and savings accounts at bank of the Solar Group are used for collateral. The bank requires the saving accounts be opened for receiving money from selling electricity and for settlement of principle and interest of borrowings. Usage of that savings account is required an approval from bank.

As at 31 December 2017, the savings deposits amounting Baht 4.07 million (2016: 17.44 million) are presented as restricted deposits at financial institutions in the statement of financial position.

The loan agreements between the Solar Group and the bank required the Solar Group to comply with debt covenants in maintaining financial ratios which comprise the maximum debt-to-equity of 3:1 and the minimum debt service coverage ratio (DSCR) of 1. As at 31 December 2017 and 2016, the companies under the Solar Group breached the covenants and did not receive a waive letter from the bank. Therefore, their non-current portion of borrowings as at 31 December 2017 and 2016 in an amount of Baht 67.04 million and Baht 68.95 million, respectively, were reclassified as a current liability included in the current portion.

- 2) Borrowing of Sea Oil Petrochemical Company Limited from the financial institution is Baht 60.00 million. The borrowing bears interest at MLR-0.75 per annum. The repayments are made of 36 instalments from the date of receiving the borrowings. Machinery of Sea Oil Petrochemical Company Limited is used as collateral.

17.2.2 Debentures

Debentures are 'Debentures of Sea Oil Public Company Limited No.1/2015 due in B.E. 2560', bearing interest at a fixed rate at 5.35% per annum. The interest will be quarterly paid. The debenture will be mature in full amount of Baht 1,000 million on 15 September 2017.

The debentures were redeemed on the due date by using the funds from both short-term and long-term borrowings from the financial institution and the related party, including the Company's working capital.



17 Borrowings (Cont'd)

Fair value

The fair value of short-term borrowings and current portion of debentures is close to the book value due to the insignificant effect from a discount rate.

The fair value was determined in level 2 of fair value (Note 3.3), calculated by discounted cash flow model based on yield curve of risk-free bond plus risk premium in relevance with the Group's credit rating as disclosed by the Thai Bond Market Association.

The fair value of other long-term borrowings is as follows:

	Fair value				Cost method			
	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Long-term borrowings from a financial institution	368,931,983	341,564,017	-	-	327,008,000	298,132,000	-	-
Long-term borrowings from related party	316,377,678	-	316,377,678	-	300,000,000	-	300,000,000	-
	<u>685,309,661</u>	<u>341,564,017</u>	<u>316,377,678</u>	<u>-</u>	<u>627,008,000</u>	<u>298,132,000</u>	<u>300,000,000</u>	<u>-</u>

Interest rate risk of the Group's borrowings is as follows

	Consolidated financial statements		Separate financial statements	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Fixed interest rate	756,301,984	998,290,285	696,301,984	998,290,285
Floating interest rate	267,008,000	298,132,000	-	-
	<u>1,023,309,984</u>	<u>1,296,422,285</u>	<u>696,301,984</u>	<u>998,290,285</u>

The Group has outstanding unused credit facilities as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Baht	Baht	Baht	Baht
Current portion	792,406,280	603,500,000	792,406,280	590,000,000
Non-current portion	99,492,000	54,868,000	-	-
	<u>891,898,280</u>	<u>658,368,000</u>	<u>792,406,280</u>	<u>590,000,000</u>



18 Trade accounts payable and other payable

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Trade accounts payable				
- Other parties	172,250,341	164,238,810	15,339,272	16,966,271
- Related parties (Note 29.3)	612,354	612,639	-	-
Accrued expenses				
- Other parties	31,154,064	17,395,560	3,351,016	7,108,592
- Related parties (Note 29.3)	347,838	394,333	305,819	397,659
	<u>204,364,597</u>	<u>182,641,342</u>	<u>18,996,107</u>	<u>24,472,522</u>

19 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Statement of financial position				
Post-employment benefit obligations	<u>7,505,428</u>	<u>3,476,713</u>	<u>6,824,193</u>	<u>3,476,713</u>
Profit or loss				
Post-employment benefit	<u>1,370,625</u>	<u>631,284</u>	<u>689,390</u>	<u>631,284</u>
Other comprehensive income				
Remeasurement of post-employment benefit	<u>2,658,090</u>	<u>-</u>	<u>2,658,090</u>	<u>-</u>

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
At 1 January	3,476,713	2,845,429	3,476,713	2,845,429
Current service cost	1,241,990	526,001	560,755	526,001
Interest expense	128,635	105,283	128,635	105,283
Remeasurement				
Loss from changes in demographic assumptions	1,506,971	-	1,506,971	-
Gain from change in financial assumptions	(990,687)	-	(990,687)	-
Experience loss	2,141,806	-	2,141,806	-
At 31 December	<u>7,505,428</u>	<u>3,476,713</u>	<u>6,824,193</u>	<u>3,476,713</u>

The principal actuarial assumptions used are as follows:

	2017	2016
Discount rate	3.21%	3.7%
Salary growth rate	5.0% - 13%	5.0% - 15%
Turnover rate of employees	0.0% - 8.0%	0.0% - 10.0%



19 Employee benefit obligations (Cont'd)

The sensitivity analysis of the actuarial assumptions is as follows:

	Consolidated financial statements			
	Change in assumption		Impact on defined benefit obligation	
	2017	2016	Increase (decrease) in obligation	
			2017	2016
			Baht	Baht
Discount rate	Increase 1%	Increase 1%	(1,231,703)	(565,943)
	Decrease 1%	Decrease 1%	1,552,872	697,508
Salary growth rate	Increase 1%	Increase 1%	1,466,569	730,427
	Decrease 1%	Decrease 1%	(1,197,111)	(599,983)
Discount rate	Increase 20%	Increase 20%	(1,046,500)	(610,450)
	Decrease 20%	Decrease 20%	1,263,432	777,554

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined benefit obligation is 24 years (2016: 24 years).

20 Share capital

	Number of shares Shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 1 January 2016	359,993,848	359,993,848	581,868,371	941,862,219
Issue of shares	19,130,434	19,130,434	74,423,566	93,554,000
Stock dividend (Note 23)	35,995,999	35,995,999	-	35,995,999
At 31 December 2016	415,120,281	415,120,281	656,291,937	1,071,412,218
Issue of shares	138,373,427	138,373,427	276,746,854	415,120,281
Exercise of warrants (Note 21)	44,500	44,500	89,000	133,500
At 31 December 2017	553,538,208	553,538,208	933,127,791	1,486,665,999

As at 31 December 2017, the total number of authorised ordinary shares is 691,867,135 shares with a par value of Baht 1 per share (2016: 417,036,710 shares with a par value of Baht 1 per share). The issued shares were already paid in the amount of Baht 553,538,208 (2016: Baht 415,120,281).

On 19 January 2017, the extraordinary shareholders' meeting No. 1/2017 approved the change of the registered share capital as follows:

- 1) The decrease of the Company's registered share capital from Baht 417,036,710 to Baht 415,120,281 by cancelling 1,916,429 authorised but unissued shares with a par value of Baht 1 per share. The Company registered the decrease share with the Ministry of Commerce on 30 January 2017.
- 2) The increase of the Company's registered share capital at Baht 276,746,854, from Baht 415,120,281 to Baht 691,867,135, by issuing new 276,746,854 ordinary shares with a par value of Baht 1 per share. The 138,373,427 shares are offered to existing shareholders in ratio of 3 existing ordinary shares to a new issued ordinary share at Baht 3 per share, totalling Baht 415,120,281. The offered shares were fully paid on 20 February 2017. The Company registered the increase of issued and paid-up share capital with the Ministry of Commerce on 24 February 2017. The remaining 138,373,427 shares are appropriated for the exercise of warrants to purchase ordinary shares (Note 21).

21 Warrants to purchase ordinary shares

On 7 March 2017, the Company issued warrants (SEOIL-W) to its existing shareholders. The details are as follows:

Type of warrants	: Issued in the names of respective holder and negotiable
Term of warrants	: 1 year from the issuing and offering date
Number of warrants	: 138,373,427 units
Offering ratio	: 1 unit per 1 offered ordinary share
Offering price	: Baht 0.00 per unit (Nil)
Exercise ratio	: 1 warrant can be exercised for a purchase of 1 ordinary share (changeable)
Exercise price	: Baht 3.00 per a new ordinary share (changeable)
Exercise date	: On the last business day of each quarter (March, June, September and December) in each year, throughout the term of warrants
Initial exercise date	: 30 June 2017
Last exercise date	: 6 March 2018

Movement of warrants to purchase ordinary shares for the nine-month period ended 31 December 2017 is as follows:

	SEOIL-W Rights
Opening balance	-
Rights issued during the year	138,373,427
Exercise of warrants during the year	<u>(44,500)</u>
Closing balance	<u>138,328,927</u>

In June 2017, 44,500 units of SEOIL-W warrant were exercised for 44,500 new ordinary shares in the total amount of Baht 133,500. The process of registration was completed on 7 July 2017.



22 Legal reserve

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
At 1 January	26,509,200	23,295,000	26,509,200	23,295,000
Appropriation during the year		3,214,200	-	3,214,200
At 31 December	29,509,200	26,509,200	26,509,200	26,509,200

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

23 Dividend distribution

On 28 April 2017, the Annual General Shareholders' meeting 2017 approved a dividend payment in cash at Baht 0.05 per share, totalling of Baht 27,673,685. The dividend was paid on 23 May 2017.

On 27 April 2016, the Annual Ordinary Shareholders' meeting approved the dividend payment of 35,995,999 ordinary shares at par value of Baht 1 per share in the ratio of 10 existing shares per 1 dividend (equivalent to Baht 0.1 per share). The dividend was also paid in cash in an amount of Baht 4,001,127 at the rate of Baht 0.0111112 per share. In the combination, stock dividend and cash dividend are paid at the rate of Baht 0.1111112 per share, totalling of Baht 39,997,126. The dividend payment was made on 23 May 2016.

24 Other income

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Interest income	3,666,441	1,204,542	19,003,636	62,603,982
Dividend income	-	-	17,460,274	-
Management fee	-	-	2,848,820	2,343,872
Others	7,664,278	1,820,482	598,036	884,318
Total	11,330,719	3,025,024	39,910,766	65,832,172

On 28 June 2017, Living Energy Co., Ltd., the Company's subsidiary, declared the dividend payment of Baht 17.46 million in cash to the Company. The Company received full amount of dividend during the year.

25 Finance costs

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Interest - related party	5,027,883	289,641	5,013,698	-
Interest - financial institution	26,311,787	15,235,099	11,419,384	435,896
Interest - debentures	39,379,580	55,502,822	39,379,580	55,502,822
Less Cost of borrowings	(6,619,333)	-	-	-
	64,099,917	71,027,562	55,812,662	55,938,718

26 Expenses by nature

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Purchase of finished goods		3,559,588,349	3,362,051,846	833,944,128	1,089,359,892
Changes in inventories		(36,257,411)	(2,341,906)	-	(205,500)
Direct cost for catering service on the accommodation vessel		95,098,273	176,745,385	95,098,273	176,745,385
Employee benefits expenses		73,792,185	56,418,285	45,897,688	34,656,420
Changes in goods in transit		(917,039)	-	(917,039)	-
Depreciation and amortisation	13,14	20,106,831	20,597,653	674,469	1,760,398
Transportation expenses		35,087,112	41,841,135	17,423,861	26,205,944
Sale commission expenses		10,110,732	24,092,966	223,500	6,294,402
Loss from fire		19,253,072	-	-	-

On 28 November 2017, there was a fire in the condensate plant of Sea Oil Petrochemical Co., Ltd. Total loss of Baht 19.25 million comprised write-off of damaged assets of Baht 2.42 million, compensation to the employees of the Company of Baht 2.38 million and to third parties of Baht 14.45 million.

27 Income tax

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current tax:				
Current tax on profits for the year	2,975,702	16,012,514	1,132,236	15,776,058
Total current tax	2,975,702	16,012,514	1,132,236	15,776,058
Deferred tax:				
Origination and reversal of temporary differences	(3,257,286)	(2,500,513)	(2,052,258)	87,363
Total deferred tax	(3,257,286)	(2,500,513)	(2,052,258)	87,363
Total tax expense	(281,584)	13,512,001	(920,022)	15,863,421

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit (loss) before tax	(106,560,002)	8,868,360	(36,003,027)	80,147,082
Tax calculated at a tax rate of 20% (2016: 20%).	(21,312,000)	1,173,672	(7,200,605)	16,029,416
Effect:				
Difference of tax rates	(797,017)	398,847	-	-
Joint venture' results, net of tax	7,330,471	7,917,848	-	-
Income not subject to tax	(3,350,229)	(6,693,946)	(3,492,055)	-
Expenses with double deductible for tax	(66,720)	(176,865)	(64,848)	(176,865)
Additional taxable income	9,812,827	9,839,712	9,812,827	-
Expenses not deductible for tax	8,906,365	1,052,733	24,659	10,870
Utilisation of previously unrecognised tax losses	(805,281)	-	-	-
Tax charged	(281,584)	13,512,001	(920,022)	15,863,421

The Group's and Company effective tax rates for the year ended 31 December 2017 was 0.26% and 2.56%, respectively (2016: 152.36% and 19.79, respectively). The effective tax rate changed from the previous year as the result of expenses not deductible for tax inconsistently occurred.



28 Earnings (loss) per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year (Note 21).

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders (Baht)	(104,553,522)	(23,981,411)	(35,083,005)	64,283,661
Weighted average number of ordinary shares in issue during the year (Share)	533,044,578	409,339,887	533,044,578	409,339,887
Incremental weighted average number of ordinary shares to be issued for exercising shares to be issued for the warrants	-	-	-	-
Weighted average number of ordinary for diluted earnings per shares (shares)	533,044,578	409,339,887	533,044,578	409,339,887
Basic earnings per share (Baht per share)	(0.1962)	(0.0586)	(0.0658)	0.1570
Diluted earnings (loss) per share (Baht per share)	(0.1962)	-	(0.0658)	-

The Company paid stock dividend in 2016, therefore the Company adjusted the weighted average number of ordinary shares which held by shareholders of the year 2015 as if the event had occurred since the year 2015.

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders of the parent by the weighted average number of ordinary shares held by the shareholders during the period.

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of ordinary shares used in calculation of basic earnings (loss) per share to assumed conversion of all dilutive potential ordinary shares. During the period, the Company has dilutive potential ordinary shares arising from issuance of warrants to purchase ordinary shares. The calculation is made to determine the number of shares that could have been acquired at fair value as determined from the average market price of the Company's shares for the period based on the monetary value of the exercise rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. The warrants are dilutive when they would result in the issue of ordinary shares less than the average market price of ordinary shares during the period.

The earnings (loss) per share as presented in the comparative period of the consolidated financial statements is not affected by the business combination under common control.



29 Related-party transactions

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, subsidiaries and fellow subsidiaries 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.

The Company is controlled by Nathalin Company Limited (incorporated in Thailand), which owns 45.05% of the Company's shares. The remaining 54.95% of the shares is widely held. Significant transactions with Nathalin Company Limited and its related parties are as follows:

29.1 Sales of goods and services

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Sales of goods				
Subsidiary	-	-	14,789,108	22,976,174
Entities under common control	247,739,487	224,789,035	210,660,131	177,565,037
	<u>247,739,487</u>	<u>224,789,035</u>	<u>225,449,239</u>	<u>200,541,211</u>
Sales of services				
Entities under common control	24,617,049	30,872,957	24,617,049	30,872,957
Interest income				
Subsidiary	-	-	16,964,100	61,798,277
Entities under common control	-	88,000	-	-
	<u>-</u>	<u>88,000</u>	<u>16,964,100</u>	<u>61,798,277</u>
Dividend income				
Subsidiary	-	-	17,460,274	-
Management fee				
Subsidiary	-	-	2,848,820	2,343,872
Other income				
Subsidiary	-	-	2,742	-

Sales of oil trading are carried out on commercial terms and conditions.

Sales of service for catering and other services are carried in accordance to the service agreement.

Interest income is determined to conform to the interest rate of borrowings from financial institutions and the Company's debentures.



29 Related-party transactions (Cont'd)

29.2 Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Purchase of goods				
Entities under common control	6,881,804	11,946,371	-	2,597,746
Rental and service expense				
Entities under common control	2,651,315	2,382,396	2,651,315	2,382,396
Management fee				
Entities under common control	4,960,908	3,435,784	4,261,515	2,743,440
Other service expense				
Entities under common control	1,240,520	846,819	1,147,514	846,819
Finance cost				
Entities under common control	5,027,883	289,641	-	-

29.3 Outstanding balances arising from sales/purchases of goods/services

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables				
Entities under common control	35,839,389	33,720,598	33,277,905	40,455,981
Accrued interest income				
Subsidiaries - Current	-	-	22,430,734	9,750,565
Subsidiaries - Non-current	-	-	99,139,637	99,139,637
	-	-	121,570,371	108,890,202
Other receivables				
Subsidiaries	-	-	5,280,215	2,721,407
Entities under common control	163,242	95,810	163,242	95,810
	163,242	95,810	5,443,457	2,817,217
Trade payables				
Entities under common control	612,354	612,639	-	-
Accrued expense				
Subsidiaries	-	-	52,607	60,729
Entities under common control	347,838	394,333	253,212	336,930
	347,838	394,333	305,819	397,659



29 Related-party transactions (Cont'd)

29.4 Loans to subsidiaries

The loans were made to subsidiaries as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term loans	-	-	259,390,530	329,642,440
Long-term loans	-	-	1,387,880,000	1,387,880,000
	-	-	1,647,270,530	1,717,522,440

The movement of loans to subsidiaries is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term loan				
Opening balance	-	5,220,000	329,642,440	-
Addition	-	-	165,000,000	399,716,007
Repayment	-	(5,220,000)	(233,985,477)	(69,119,400)
Loss from exchange rate	-	-	-	(954,167)
Loss from modification of loan agreements	-	-	(1,266,433)	-
Ending balance	-	-	259,390,530	329,642,440
Long-term loans				
Opening balance	-	-	1,387,880,000	1,387,880,000
Addition	-	-	-	-
Repayment	-	-	-	-
Ending balance	-	-	1,387,880,000	1,387,880,000

Short-term loans

For the year ended 31 December 2017, the addition and the repayment of loans to subsidiaries are as follows:

- 1) Loans made to Sea Oil Petrochemical Company Limited Baht 152.00 million, which are at call and bear interests at 1.55% - 5.65% per annum. The loans were partially repaid in an amount of Baht 60.00 million.
- 2) Loans made to Living Energy Company Limited Baht 13.00 million, which are at call and bear interest at 5.55% per annum.
- 3) Repayment from Sea Oil Offshore Limited in an amount of Baht 53.99 million.
- 4) Repayment from Sea Oil Petroleum Pte. Ltd. in an amount of Baht 120.00 million.

On 22 March 2017, the Company modified the loan agreements as details below:

- 1) For the loan agreement to Sea Oil Offshore Ltd. USD 1.70 million, the principal shall be converted into the sum amount of Baht 61.13 million, using the exchange rate at the initial borrowing date.
- 2) For the loan agreement to Sea Oil Petroleum Pte. Ltd. USD 7.50 million, the principal shall be converted into the sum amount of Baht 267.25 million, using the exchange rate at the initial borrowing date.

The modified agreements are retrospectively effective from 1 January 2017. The Company recognised loss from modification of loan agreements of Baht 1.27 million in profit and loss.



29 Related-party transactions (Cont'd)

29.4 Loans to related parties (Cont'd)

Long-term loans

The long-term loans are loans to Sea Oil Energy Limited at Baht 1,387.88 million for the purpose to acquire Pan Orient Energy (Siam) Limited. The interest rates are at 1.55% - 5.65% per annum and the repayment term is within 5 years. The Company has ceased to recognise interest income from 1 January 2017, onwards.

The fair value of such loans was Baht 1,543.83 million (2016: Baht 1,573.80 million), determined in level 2 of fair value (Note 3.3), calculated by discounted cash flow model based on yield curve of risk-free bond plus risk premium in relevance with the Group's credit rating as disclosed by the Thai Bond Market Association.

29.5 Short-term borrowing from a related party

The short-term borrowing is borrowing from United Tanker Co., Ltd. (the company under common control) of Baht 0.60 million. The borrower is Sky Solar Power Co., Ltd. (the company is in the Solar Group). The interest rate is at MOR-BBL per month and the repayment term is at call. The borrowing was fully repaid during the period.

29.6 Long-term borrowing from a parent

Long-term borrowing of Baht 300.00 million was made with Nathalin Co., Ltd. on 1 September 2017. The borrowing bears interest at the rate of 5% per annum. The repayment term is within 2 year and the maturity date is on 31 August 2019. The borrowing was made for a debenture redemption in the third quarter of 2017 (Note 17.2.2).

29.7 Key management compensation

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term employee benefit	30,453,861	27,651,809	22,717,676	19,451,876
Post-employee benefit	413,933	340,290	413,933	340,290
	<u>30,867,794</u>	<u>27,992,099</u>	<u>23,131,609</u>	<u>19,792,166</u>

29.8 Guarantee

The Company engaged in letter of guarantees to Sea Oil Offshore Limited for purchase of petroleum product agreement as follows:

Guaranteed amount not exceed Baht 30 million with 10 years duration ended 14 June 2025.

Guaranteed amount not exceed USD 0.70 million with 3 years duration ended 15 November 2019.

Guaranteed amount not exceed USD 0.65 million with 3 years duration ended 10 February 2020.

On 9 August 2017, the Company engaged in letter of guarantee for borrowing from a financial institution of Sea Oil Petrochemical Company Limited in an amount of Baht 60.00 million (Note 17.2.1).

On 23 August 2017, Nathalin Co., Ltd. pledged 100 million common shares holding in Prima Marine Public Company Limited (the company under common control) as collateral for the Company's bills of exchange of Baht 400.00 million (Note 17.1.2).

30 Commitments and contingent liabilities

30.1 Capital commitment

Capital commitment as at the statement of financial position date which is not recognised in the financial statement is as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Property, plant and equipment	20,223,200	70,210,257	-	-
	<u>20,223,200</u>	<u>70,210,257</u>	<u>-</u>	<u>-</u>

30.2 Operating lease commitment

The Group had the future aggregate minimum lease payments in respect of the lease of building and office equipment under non-cancellable operating leases contracts are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Within 1 year	19,284,169	15,463,975	5,174,727	2,931,570
1 to 5 years	47,493,163	40,807,427	7,453,551	2,980,383
More than 5 years	179,528,218	189,179,083	-	-
	<u>246,305,550</u>	<u>245,450,485</u>	<u>12,628,278</u>	<u>5,911,953</u>

30.3 Bank guarantees

As at 31 December 2017 and 2016, the Group had letters of guarantee issued by banks as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Guarantee for purchase of oil from Suppliers	73,343,720	71,603,375	67,343,720	71,603,375
Guarantee for performance of the catering service agreement	-	63,659,125	-	63,659,125
Guarantee for electricity used	320,000	-	-	-
Letter of credit	69,709,256	-	-	-
	<u>143,372,976</u>	<u>135,262,500</u>	<u>67,343,720</u>	<u>135,262,500</u>

31 Events after the reporting period

On 23 February 2018, the Company offered debentures, with the value of Baht 400.00 million for a private placement to institutional investors or high net worth investors. The debentures bear interest at a fixed rate at 5.90% per annum, and will be redeemed on 23 February 2020.





General Information & Other Significant

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 core business 2 parts as follow: 1. Suppliers of Marine Bunker Fuel and Lubricant products to domestic and international shipping vessels and supply fuel to in-land i.e. Land Transportation Business and Other Industries. 2. Supply management, 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	: 691,867,135 Baht, divided into 691,867,135 Ordinary Shares, 1 Baht each
Paid-up Capital	: 553,538,208 Baht, divided into 553,538,208 Ordinary Shares, 1 Baht each (As of 31 December 2017)

Reference

Securities Registrar	: Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, Rachadapisek Road, Din Daeng, Bangkok 10400, Thailand Telephone : (662) 009 9000 Fax: (662) 009 9991
Auditor	: PricewaterhouseCoopers ABAS Ltd. By Ms. Sukhumaporn Wong-Ariyaporn Certified Auditor No, 4843 or Ms. Varaporn Vorathitikul Certified Auditor No, 4474 or Mr. Vichien Khingmontri Certified Auditor No, 3977 15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Sathorn Bangkok 10120, Thailand Telephone : (662) 286 9999, (662) 344 1000 Fax : (662) 286 5050
Registrar and Paying Agent	: TMB Bank Public Company Limited A Building, 3000 Phahon Yothin Road, Chatuchak, Bangkok 10900, Thailand Telephone : (662) 299 1217 Fax : (662) 299 1278 (Debentures of SEOIL no.1/2015 for THB 1,000 million subordinated capital debentures issue in September 2015)

Important information

Sea Oil Public Company Limited has 5 subsidiaries;

Company Name	: Sea Oil Energy Limited
Registered Date	: 15 October 2014
Head Office	: 27 Reid Street – 1 Floor Hamilton HM11, Bermuda
Type of Business	: Invest as Joint Ventures
Registered Capital	: 1 US Dollar, divided into 1 Ordinary Shares, 1 US Dollar each
Paid-up Capital	: 1 US Dollar, divided into 1 Ordinary Shares, 1 US Dollar each



Company Name	: Sea Oil Offshore Limited
Registered Date	: 22 January 2015
Head Office	: Unit B, Lot 49, 1 Floor, Block F, Lazenda Warehouse 3, Jalan Ranca - Ranca, 87000 Labuan F.T., Malaysia
Type of Business	: International Bunkering Services
Registered Capital	: 30,000 US Dollar, divided into 30,000 Ordinary Shares, 1 US Dollar each
Paid-up Capital	: 30,000 US Dollar, divided into 30,000 Ordinary Shares, 1 US Dollar each

Company Name	: Sea Oil Petroleum PTE. LTD.
Registered Date	: 22 April 2015
Head Office	: 7 Temasek Boulevard, #18 – 03 Suntec Tower Five, Singapore 038985
Type of Business	: Marine Fuel and Lubricants Supplier in Singapore
Registered Capital	: 1,000,000 US Dollar, divided into 1,000,000 Ordinary Shares, 1 US Dollar each
Paid-up Capital	: 1,000,000 US Dollar, divided into 1,000,000 Ordinary Shares, 1 US Dollar each

Company Name	: Seaoil Petrochemical Company Limited (The Old Name “Nakornchai Prakarn Chemical Company Limited”)
Head Office	: 700/340 Moo. 6 Donhuaroh, Muang, Chonburi 20000, Thailand
Type of Business	: Condensate Splitter
Registered Capital	: 204,000,000 Baht, divided into 2,040,000 Ordinary Shares, 100 Baht each
Paid-up Capital	: 163,500,000 Baht, divided into 1,500,000 Ordinary Shares, 100 Baht each and 540,000 Ordinary Shares, 25 Baht each

Company Name	: Living Energy Company Limited
Head Office	: 88 Soi Bangna-Trad 30, Bangna-Trad Road, Bangna, Bangkok 10260, Thailand
Type of Business	: Production and Distribution of Electric Energy
Registered Capital	: 75,260,000 Baht, divided into 752,600 Ordinary Shares, 100 Baht each
Paid-up Capital	: 75,260,000 Baht, divided into 752,600 Ordinary Shares, 100 Baht each

Joint Ventures

Company Name	: Pan Orient Energy (Siam) Limited (“POES”)
Registered Date	: 30 January 2007
Head Office	: Bermuda
Type of Business	: Onshore Petroleum Exploration and Production of Thailand, 100% procession on L53/48 Concession
Registered Capital	: 19,728 US Dollar, divided into 19,728 Ordinary Shares, 1 US Dollar each
Paid-up Capital	: 19,728 US Dollar, divided into 19,728 Ordinary Shares, 1 US Dollar each
Shareholdings	: Sea Oil Energy Limited, total 9,863 shares in approximate 49.99% of the total issued and paid-up capital. Pan Orient Petroleum Company Pte. Limited (registered in Singapore), total 9,865 shares in approximate 50.01% of the total issued and paid-up capital.





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