

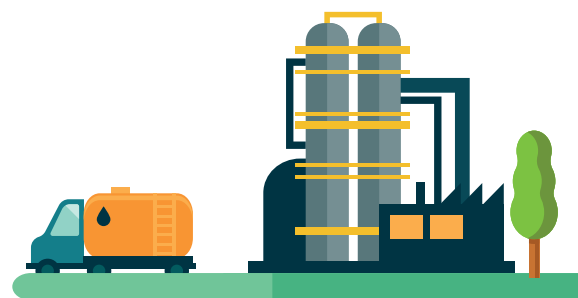


THE
ANNUAL REPORT
รายงานประจำปี
2018

Sustainable
Energy



CORE VALUES



S

Service Mind

E

Entrepreneurship

A

Active

O

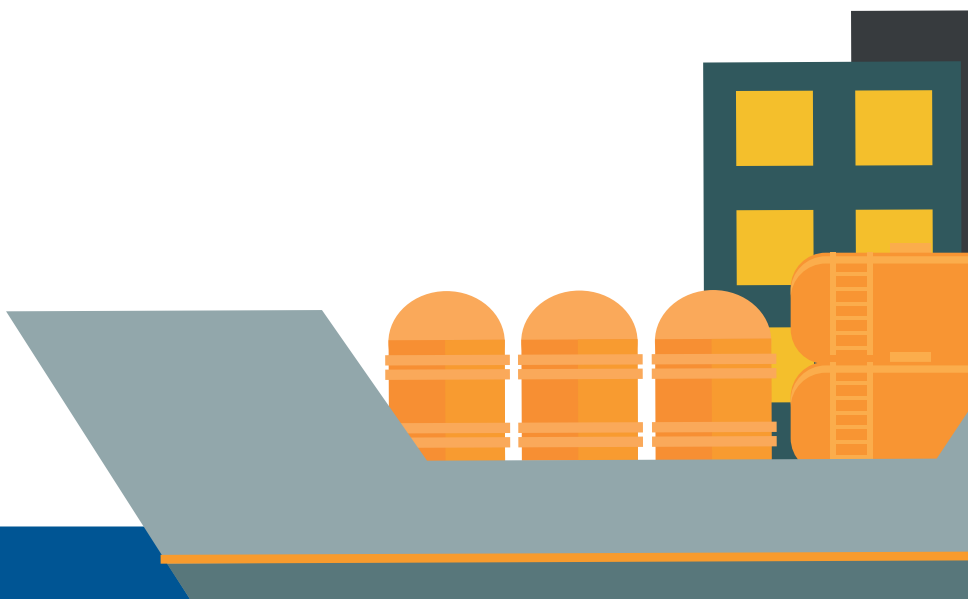
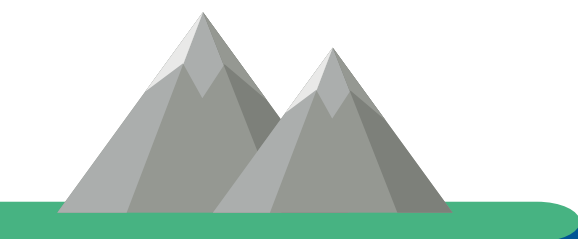
Operational

I

Integrity

L

Learning



VISION

To be Leading Company of Petroleum, Petrochemical and other Energy industries including Service and Supply Management in Thailand and other ASEAN countries for Sustainable growth by Good governance management with Social and Environment Responsibility.

MISSION



1. Expand Petroleum, Petrochemical and Other Energy business.
2. Expand Service and Supply Management business.
3. Extend continuously both domestic and international markets.
4. Revenue grows continuously.
5. Developing Human resources, Organization through Global Standard together with Partnership to manage business under Good Governance Principles.
6. Enhance the Social Environment and Community Responsibility Policy
7. Encourage Anti-Corruption Policy.
8. Focus on Corporate Sustainability for all stakeholders.



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Message from the Chairman

Dear Shareholders,

In 2018, the overall Thai economy expanded slightly from the previous year. By receiving important support factors from the public and private sector investment and private consumption in line with the global economic recovery that has continued to grow, especially the US and China still have a high growth rate. While in Euro Zone and Japan has a decrease growth rate. For the global oil price situation for the year 2018, rising from the previous year. However, there are still fluctuations from factors that may be caused by oversupply from non-OPEC producers.

Sea Oil Public Company Limited remains committed to running the business for continuous and sustainable growth. To achieve the organization's goals, aiming to be a leading organization in petroleum and petrochemical energy under the management of good governance. With responsibility to all stakeholders.

In 2018, another year of corporate challenges. Board of Directors has a policy to adjust the organization strategy proactively. Increase competitiveness both locally and internationally to increase market share as much as possible. Resulting in the company with operating results including net profit of 5.85 million baht, EBITDA of 87.83 million baht, sales of both domestic and international oil increasing from the previous year by 30%. Sales increased mainly due to the Offshore customer group, and foreign customers. For the expansion of the petroleum exploration and production business at the end of the year from the opening of a new round of concession bidding. As a result, the business of the Company and its subsidiaries is highly beneficial both in the distribution of oil and the Supply Management business. As a result, customers in Offshore Group will return to buy more oil and other services. To support the increased activities in the Gulf of Thailand from the petroleum exploration and production business that has been auctioned.

In late 2018, the Board of Directors has received good news from the Pan Orient Energy (Siam) Limited (POES) joint venture, which the Company holds 49.99% of the shares. The results of the survey found in the concession area of Suphan Buri Province, L53-DD. As a result, in 2018, the Company received a share of profit from the joint venture of 2.71 million baht. The Board of Directors believes that the survey results will make this investment receive positive returns in the long run.

The Board of Directors of Sea Oil Public Company Limited continues to focus on the importance of conducting business with transparency and fairness, continuous development of organizational potential. Change the business strategy to be in line with the current situation. Both in Risk Management and Corporate Governance. To conduct business with ethics and anti-corruption, personnel development in all levels, develop information technology systems. Continuous improvement of service standards for better efficiency. To meet customers satisfaction and taking into account to all stakeholders. As well as participation in community, social and environmental development. To achieve sustainable development goals.

Finally, on behalf of the Board of Directors I would like to thank the shareholders, customers, business partners, financial institutions and every who has support in all aspects that has always trusted and supported the business of the Group. Thanks to all executives and employees for their commitment and dedication, honesty and sacrifice. Together to drive the organization to grow continuously. May you all believe that all directors will perform their duties with full responsibility. To enable the organization to grow steadily and sustainably



Mr. Apisit Rujikeatkamjorn

Chairman of the board

Financial Highlight in Year 2018

Sea Oil Public Company Limited and Subsidiaries

Statement of Income (Unit: Million Baht)	Consolidated		
	2018	2017	2016
Sales and service revenue	4,777.14	3,816.02	3,854.70
Gross Profit	237.62	218.65	315.35
EBITDA	87.83	(22.35)	100.49
Net Profit	5.85	(106.28)	(4.64)
Net profit (loss) of the parent company	(0.75)	(104.55)	(23.98)
Earnings per share (Baht)	(0.0014)	(0.20)	(0.06)

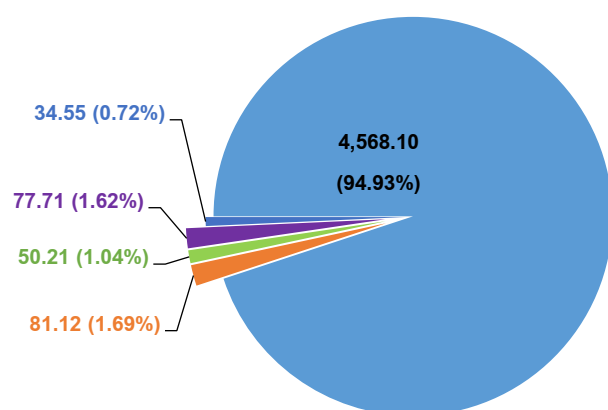
Statement of Financial Position (Unit: Million Baht)	Consolidated		
	2018	2017	2016
Total Assets	2,744.30	2,604.86	2,342.17
Total Liability	1,389.91	1,251.56	1,188.34
Total Shareholders' Equity	1,354.39	1,353.30	1,153.83
Equity attributable to owners of the parent	1,346.65	1,350.97	1,146.34

Financial Ratio	Consolidated		
	2018	2017	2016
Current Ratio (times)	0.96	0.95	0.66
Debt to Equity (times)	1.03	0.92	1.18
Gross Profit Margin (%)	4.97	5.73	8.18
Net Profit Margin (%)	0.12	(2.79)	(0.12)
Return on Total assets (%)	0.22	(3.97)	(0.19)
Return on Equity (%)	(0.06)	(8.37)	(2.16)
Issued & fully paid-up share capital (Million Shares)	553.56	553.54	415.12
Book Value per Share (Baht)	2.45	2.44	3.05

Performance of The Company & Subsidiaries in 2018

Revenue Structure in 2018

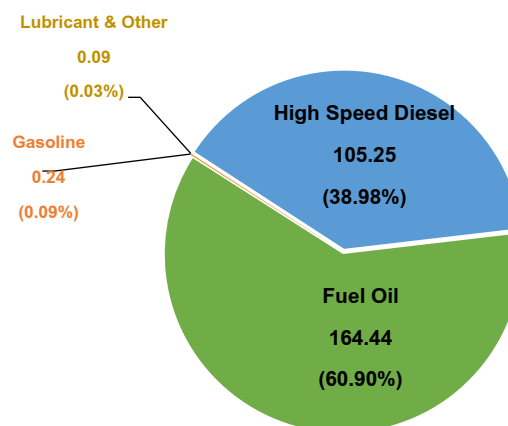
(Unit: Million Baht)



■ Marine
■ Service
■ Other Income
■ Jobber
■ Power Distribution

Sale Quantity by Product Year 2018

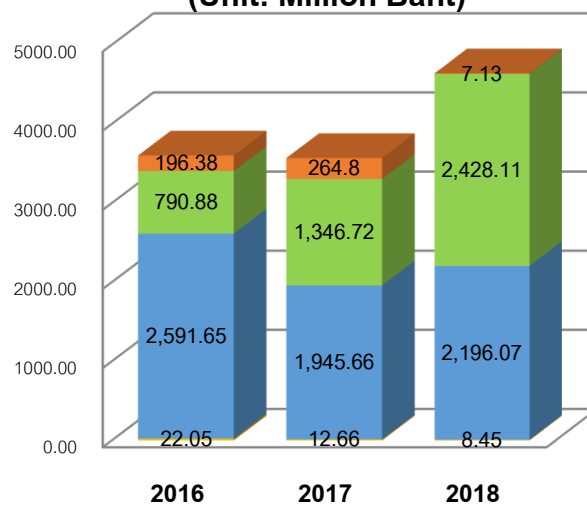
(Unit : Million Litre)



■ High Speed Diesel
■ Fuel Oil
■ Gasoline
■ Lubricant & Other

Revenue Sale Volume in 2016 - 2018

(Unit: Million Baht)



■ Lubricant & Other
■ Fuel Oil
■ High Speed Diesel
■ Gasoline

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 one million baht. Currently, the Company’s registered capital is 691,867,135 baht and issued and paid-up share capital is 553,559,662 baht. (As of 31 December 2018) 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 customers 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.

In 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.

In July 2011, the Company started catering and service business for accommodation barge at offshore in the Gulf of Thailand

In September 2012, the company started the business of providing raw materials for use in preparing food, supplying supplies and other services (General Supply) to marine vessels, Supply & Service Boat, and crew boat and oil and gas drilling rig in the sea; such as food, water, tools, etc. in order to build up from the catering and service business and also make use of the current customers base of companies that are in the business of distributing fuel and marine lubricants. Which has already been demanded food supplies and other supplies for use to navigate, which increase the company’s revenue.

In September 2013, the company officially entered the MAI which has been approved by the Securities and Exchange Commission and the Stock Exchange of Thailand by offering new shares to the public first (Initial Public Offering: IPO)

In October 2014, the company set up “Sea Oil Energy Limited” in Bermuda with purpose to expand in international bunkering business.

In December 2014, the Company has invested in a joint venture company Pan Orient Energy (Siam) Limited (“POES”) in the proportion of approximately 49.99% of the total issued shares and paid-up shares. Such investment encourages the company to enter the petroleum exploration and production business, which is the upstream business of the oil business. In order that the organization to learn and experience directly from petroleum exploration and production companies, which will lead to be a long-term concessionaire in the future.

In January 2015, the company has established a subsidiary in Land Federation of Labuan, Malaysia called "Sea Oil Offshore Limited" with the objective to distribute international fuel and expand the business to foreign countries.

In April 2015, the company established a subsidiary in Singapore called "Sea Oil Petroleum PTE. LTD." Which distributing oil and oil products in Singapore to expand the customer and supplier bases abroad.

In May 2015, the company entered in to the acquisition of shares of Nakornchai Prakan Chemical Company Limited in the proportion of 100% of the issued and paid-up shares, completed and allotted shares on April 11, 2016 by operating a business Condensate Splitter. Which produce and Selling solvents and all types of liquefied petroleum products (on February 23, 2017, Nakornchai Prakan Chemical Company Limited changed its name to "Sea Oil Petrochemical Company Limited")

January 2017, the company invests in 10 solar power plants with a total size of 7.825 megawatts, with all business transfer methods and on February 24, 2017, the company acquired 99.99% of Living Energy Co., Ltd. which operates production and distribution Selling electricity from solar energy (Solar Rooftop).

Important changes in registered capitals

<u>February 2013</u>	The Company reduced its registered capital from 160 million baht to 110 million baht and increased its registered capital from 110 million baht to 180 million baht 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 1 baht.
<u>April 2014</u>	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 180,000,000 baht to the new registered capital of 210,000,000 baht and paid-up capital of 209,998,052 baht.
<u>December 2014</u>	The Extraordinary General Meeting no.1/2014, the shareholders' meeting approved the decrease of the registered capital from the existing registered capital of 210,000,000 baht to 209,998,052 baht and the increase of the registered capital from registered capital of 209,998,052 baht to 314,997,078 baht to be the source of fund for the acquisition in Pan Orient Energy (Siam) Limited shares.
<u>January 2015</u>	The Company increase paid-up registered capital from 209,998,052 baht to 314,996,857 baht from share issued to existing shareholders.
<u>April 2015</u>	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 1 baht each for shareholder

dividend payment from existing of 314,996,857 baht to registered capital 359,996,408 baht with paid-up 359,993,848 baht.

May 2015 The decrease of the registered capital from registered capital of 359,996,408 baht to 359,993,848 baht and the increase of registered capital from registered capital of 359,993,848 baht to 379,124,282 baht 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 1 baht each for shareholder dividend payment from existing of 379,124,282 baht to registered capital 417,036,710 baht with paid-up 415,120,281 baht.

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

March 2018 The company increased the paid-up capital to 553,559,662 baht from the exercise of rights under the law showing the right to buy ordinary shares of the company (SEAOIL-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 highspeed 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 customers need 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.

The company also provides services in the provision of food, raw materials and other services. For employees in oil and gas drilling both in the sea and on land (Supply Management). Because the company has a customer group that is a supply & service boat and passenger ship, crew boat. Therefore, the company sees the opportunity to provide food, cleaning service and laundry service (Catering and Service) for oil and gas drilling staff. To provide services that cover the needs of this group of customers.

The company has invested in Pan Orient Energy (Siam) Limited ("POES") in the proportion of 49.99% of the total issued and paid-up shares of POES. Which is a petroleum and natural gas production and exploration company on land in Thailand and possessing the concession block L53/48, located at Kamphaeng Saen district Nakhon Pathom. Which has a petroleum production period of up to 20 years. The investment in business with POES, which related with the current business, enabling the company to learn and experience from the exploration, production and distribution petroleum business, which leads to the long-term concession rights.

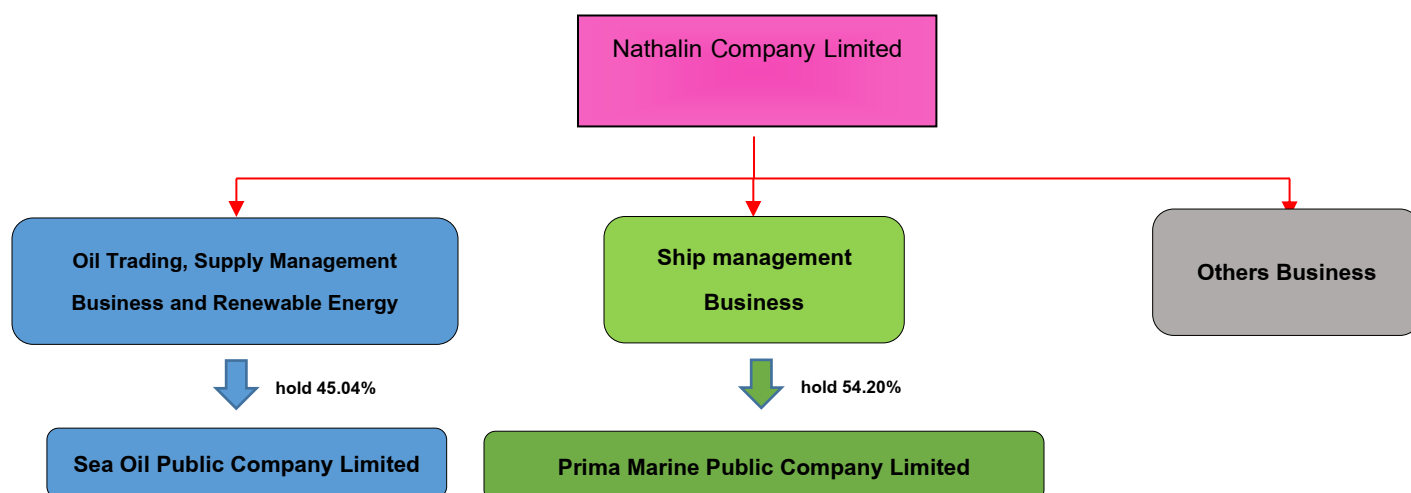
Furthermore, the company purchased ordinary shares of Sea Oil Petrochemical Company Limited ("SOC") or formerly Nakhon Chai Company Prakan Chemical Co., Ltd., which is engaged in the production and distribution of solvents and liquefied petroleum products including white spirit, rubber solvent, diesel and fuel oil. By operating Condensate splitter of SOC, which located at Amata Nakorn Industrial Estate Choburi province. The production capacity approximately 180,000 liters per day as of December 31, 2018, still in production trial

In 2017, the company invested in businesses that produce and sell electricity from solar energy (Solar Rooftop), which has already been operated by Living Energy Company Limited and its subsidiaries in the power plant group Total 10 solar projects with a total size of 7.825 megawatts. With the entire business transfer method (Entire Business Transfer) and the company recognizes income after applying the transaction is completed in February 2017.

The Company has a major shareholder, Nathalin Co., Ltd., which owns 45.04%. 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, 2018 shown as follow:



Investment in related company

(None)

Investment in subsidiary company

As of December 31, 2018, the Company's Financial Statement, the Company's investment in subsidiaries as the value of cost approach was THB 558,106,650 consisted as follows;

- Investment in Sea Oil Energy Limited, Bermuda, valued 32 baht (1 US dollar), 100% of fully registered capital as issued and paid-up capital.
- Investment in Sea Oil Offshore Limited, Labuan, Malaysia, valued 0.98 baht million (30,000 US dollar), 100% of fully registered capital as issued and paid-up capital.
- Investments in Sea Oil Petroleum Pte. Ltd., Singapore has 0.75 million ordinary shares at a price of 1 US dollar each and 4.40 million preferred shares at a par value of 1 US dollar per share in the amount of 4.40 US dollar

or equivalent to 147.17 baht million. Such preferred shares are non-voting rights and cumulative dividends of 5.65 % per year. Thus, the Company has the right to vote 75% of total investment in Sea Oil Petroleum Pte. Ltd. in amount of 174.15 million baht (5.15 million US dollars), equivalent to 95.37% of the issued share capital and the company has already paid in full.

- Investment in Sea Oil Petrochemical Company Limited (“SOC”). On April 11, 2016, the Company acquired shares in SOC (formally known as Nakornchai Prakan Chemical Company Limited), which operates the condensate splitter business, production and distribution of solvents and all types of liquefied petroleum products in the amount of 1.5 million shares with a par value of Baht 100 per share, representing 99.99% of the total issued and paid-up shares capital of SOC.

- On May 22, 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 25 baht per share, total 13.50 million baht. On March 27, 2018, the company has paid for additional share of 75 baht per share in the amount of 40.50 million baht, which is the full payment of the additional value.

- Investment in Living Energy Company Limited (“LIV”). On February 24, 2017, the Company acquired shares of LIV in the amount of 0.75 million shares at a price per share value of 249.80 baht with total of 188 million baht from an entity under common control. The Company recorded other direct expenses related to the acquisition of investment in amount 5.16 million baht. In combination, total cost of investment of 193.16 million baht.

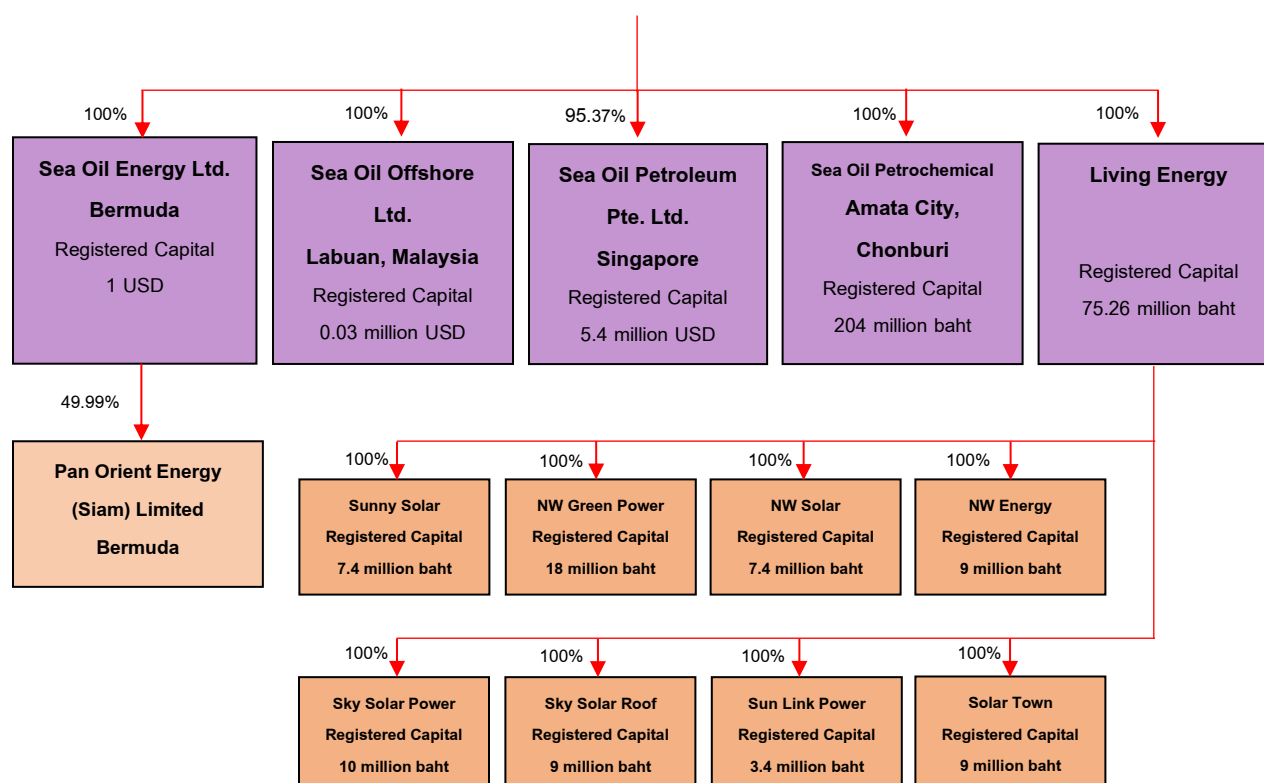
Investment in Joint Ventures

As of December 31, 2018, the Company and its subsidiaries invests in Joint Ventures by equity method valued 1,268.40 million baht or cost method of 1,387.80 million baht as Sea Oil Energy Limited acquires share of Pan Orient Energy (Siam) Limited (“POES”) in 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 as of December 31, 2018

Sea Oil Public Company Limited

Registered Capital 691.87 million baht



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. 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 (Domestic), the company also has a strategy to expand the oil distribution market overseas (External), which is the sale to international customers. Including the distribution to oil traders to sell abroad. By establishing a subsidiary in a foreign country to expand the 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 invested in the petroleum exploration and production business which is the upstream business of the oil business. Which is a business that will allow the company to receive higher returns Due to the supply of petroleum energy sources Must use highly specialized technology, knowledge and expertise Such investment allows the company to learn and gain experience from survey companies. And direct petroleum production in order to prepare for future long-term concessions.

The Company has invested in condensate splitters. 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. 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 which are Supplies Marine Bunker Fuel and Lubricant products to shipping vessels and fuel supply to in-land customers and 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)	2016		2017		2018	
	Value	%	Value	%	Value	%
Revenue from Fuel Sale	3,600.96	93.34	3,569.84	93.27	4,649.22	96.62
- Marine	3,438.46	89.13	3,507.00	91.63	4,568.10	94.93
- Jobber	162.50	4.21	62.84	1.64	81.12	1.69
Revenue from services & equipment	186.49	4.83	105.68	2.76	50.21	1.04
Revenue from Distribution power	67.24*	1.74	140.50	3.67	77.71	1.62
Other income	3.03	0.08	11.33	0.30	34.55**	0.72
Total	3,857.72	100.0	3,827.35	100.00	4,811.69	100.00

* 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.

** Other income such as interest, fines from late delivery, and insurance compensation.

2.1 Description of Products & Services

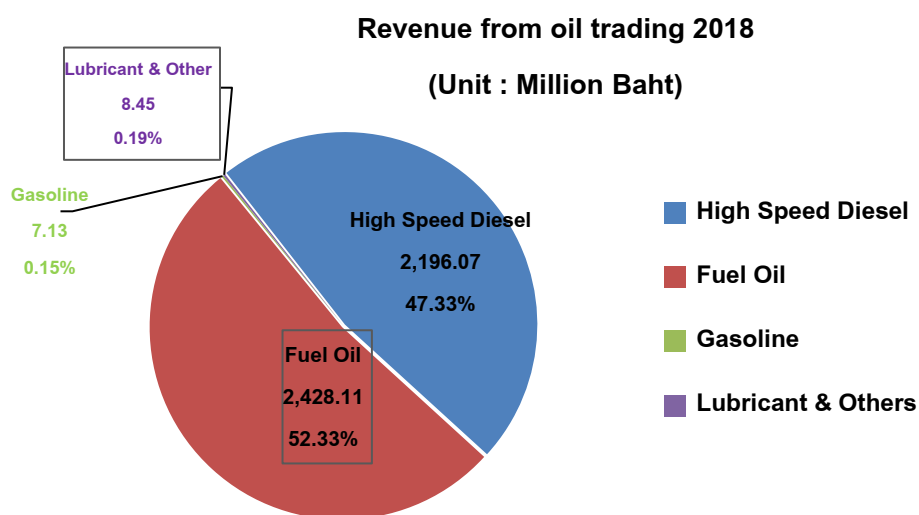
1) Marine Bunker Fuel and lubricant business

The Company sells fuel and lubricant upon specific requirements of clients. Upon receiving order from clients, the Company will supply products according to requirements of clients obtained from major oil producers or traders, for example PTT Plc., The Shell Company of Thailand, Bangchak Petroleum Plc., Chevron Thailand, IRPC Plc. and Thailoil Plc. In case that clients require transportation service, the Company will hire qualified independent transporters to deliver the products to the specified destination. Bunker barge will carry products to the clients

anchored off the coast. For the clients anchored at sea port, truck or bunker barge will be used to deliver products. Truck is also used as vehicle to carry product to the onshore clients. The followings are products that the Company sell:

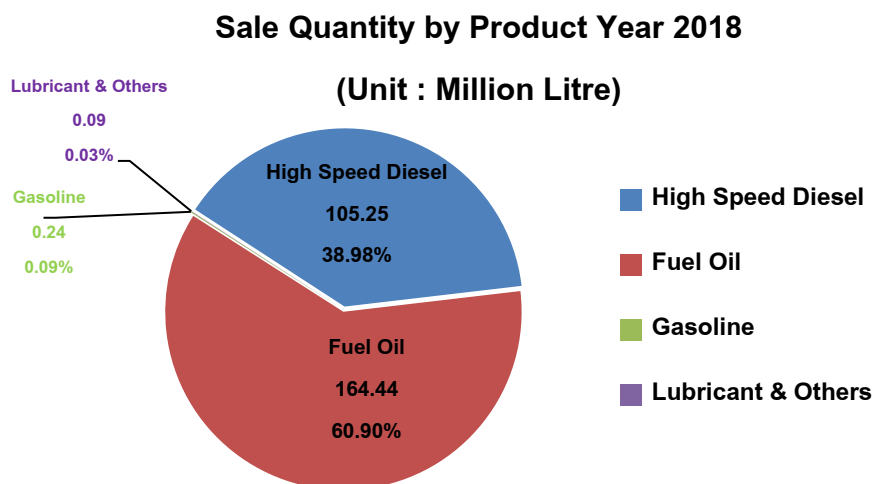
- Marine Fuel: High Speed Diesel, Fuel Oil and Gasoline
- Lubricant Products: Engine oil, gear oil, hydraulic oil, main engine oil, turbine & compressor oil, etc.

Revenue from oil trading for each product from the company and its subsidiaries for the year 2018 as follows:



Revenue from Goods Sold (Unit: Million Baht)	2016		2017		2018	
	Value	%	Value	%	Value	%
Fuel Products	3,578.91	99.39	3,557.18	99.65	4,631.31	99.81
- High Speed Diesel	2,591.65	71.97	1,945.66	54.50	2,196.07	47.33
- Fuel Oil	790.88	21.96	1,346.72	37.72	2,428.11	52.33
- Gasoline	196.38	5.45	264.80	7.42	7.13	0.15
Lubricant & Others	22.05	0.61	12.66	0.35	8.45	0.19
Total	3,600.96	100.00	3,569.84	100.00	4,649.22	100.00

Sale Quantity for each product as follows:



Sale Quantity	2016		2017		2018	
Unit: Million Litre	Quantity	%	Quantity	%	Quantity	%
Fuel Products	270.25	99.84	248.97	99.95	269.93	99.97
- High Speed Diesel	171.38	63.32	117.64	47.23	105.25	38.98
- Fuel Oil	80.84	29.87	113.02	45.37	164.44	60.90
- Gasoline	18.03	6.66	18.31	7.35	0.24	0.09
Lubricant & Others	0.42	0.16	0.13	0.05	0.09	0.03
Total	270.67	100.00	249.11	100.00	270.02	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:

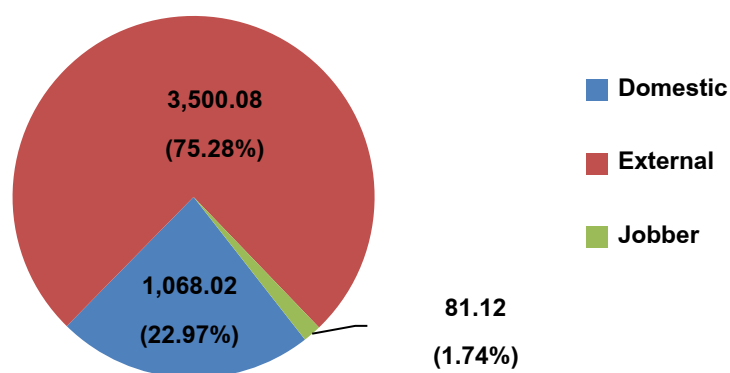
SEAOIL supplies and distributes fuels and lubricant products through two main channels which are marine fuel distribution and inland (Jobber) distribution.

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

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

Fuel Sale Revenue by Distribution Channel Year 2018

(Unit : Million Baht)



Sale Revenue (Unit : Million Baht)	2016		2017		2018	
	Value	%	Value	%	Value	%
Marine	3,438.46	95.49	3,507.56	98.24	4,563.10	98.26
- Domestic	1,072.46	29.78	827.85	23.19	1,068.02	22.97
- External	2,365.99	65.70	2,679.15	75.05	3,500.08	75.28
Jobber	162.50	4.51	62.84	1.76	81.12	1.74
Total	3,600.96	100.00	3,569.84	100.00	4,649.22	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 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 Groups as follows:

(Unit: Million Litre)	2016		2017		2018	
	Quantity	%	Quantity	%	Quantity	%
Marine	262.47	96.97	246.28	98.86	267.01	98.89
- Domestic	71.12	26.27	41.76	16.76	45.66	16.91
- External	191.35	70.70	204.52	82.10	221.35	81.98
Jobber	8.20	3.03	2.83	1.14	3.01	1.11
Total	270.67	100.00	249.11	100.00	270.02	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 clients 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 clients 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 numbers of marine fuel suppliers in Thailand, which could be categorized into two major groups as follows:

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

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

Catering and Service

There are three 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 conduct 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 environmentally 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. Moreover, the company also raise employees waste separation awareness to separate waste disposal method and recycling of waste method.

Risk Factors

Strategic Risk

1. 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 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.

2. 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.

3. 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.

4. Risk from IT

Due to the company operation mainly rely on information technology in moving the organization to support business strategies. At present, Cyber Threat is an ongoing and growing threat that is increasing in every organization. Which maybe impact the credibility, the confidence of customers, and investors or may impact the business strategy. Thus, the company has taken into consideration as a risk and find management measures to prevent such risks. Require training to enhance knowledge and awareness of information security related to current threats to directors, executives and personnel in the organization continuously. Safety policy formulation on information technology systems and guidelines for the use of computers and the internet correctly and safely. Develop a system or program to monitor behavior and manage threats that come to attack. Regularly test and evaluate the protection system as well as creating a plan to respond to threats in the event of an attack and regularly test the plan

Financial Risk

1. 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.

2. 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.

3. 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 allocated credit lines and loan facilities for business expansion or working capital.

Operational and Compliance Risk

1. 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 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.

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

The Company has a major shareholder, Nathalin Co., Ltd. which owns a 45.04%. In 2016-2018, the Company generated income from sales of goods and rendering of services to Nathalin Group in an amount of 255.14, 272.36 and 272.36 million baht respectively, representing 6.73%, 7.14% and 6.51% 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, 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.

3. 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.

4. Safety, health and environmental risks

Risks from oil transportation by car, boat, risks that can occur, such as accidents during transportation, spilled oil, fire from static electricity and so on, etc. The company has established preventive measures and operational procedures, training, inspection of oil quantity and quality. Along with emergency plans. To comply with the law Regulations and guidelines for international standards.

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, 2018, Nathalin Co., Ltd. and persons under Section 258 will acquire a total of 56.57% 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. The opportunity for shareholders to freely ask questions at the meeting.

Securities Information and Shareholders

Number of registered capital and paid-up capital

As of December 31, 2018, The Company had a Registered Capital 691,867,135 Baht, divided into 691,867,135 Ordinary Shares, 1 Baht each and Paid-up Capital 553,559,662 Baht, divided into 553,559,662 Ordinary Shares, 1 Baht each.

Shareholder

The shareholder name list of Company as of 13 March 2019 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	313,428,055	56.62
1.1 Mr. Churdchoo Panboonhom and Wife	58,907,108	10.64
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	45.04
2. Mr. Seksan Setthasakon	20,272,400	3.66
3. Mr. Apisit Rujikeatkamjorn	16,305,000	2.95
4. Mr. Thada Olaric	16,094,732	2.91
5. Mr. Somsak Laosujaritikul	15,300,000	2.76
6. Thai NVDR Company Limited	8,412,515	1.52
7. Mr. Chansak Fuangfu	6,500,000	1.17
8. Ms. Viorn Tongtaeng	6,196,094	1.12
9. Mr. Nopporn Luangtana-anan	5,633,283	1.02
10. Ms. Kingkamol Kasemwilas	5,426,900	0.98
11. Ms. Chalinee Katekaew	5,367,482	0.97
12. Mrs. Dararay Ratanachaiwan	3,359,600	0.61
13. Mr. Prompong Chaisrisawatsuk	2,933,329	0.53
14. Mr. Suraphon Meesathien	2,933,329	0.53
Others Shareholder	125,396,943	22.65
Total	553,559,662	100.00

As of December 31, 2018, Nathalin Company Limited has registered and paid-up capital of 397.20 million baht, divided into 3,972,000 ordinary shares, with a par value of 100 baht per share, with 12 shareholders of the company. Nathalin Co., Ltd. as follows

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.

List of shareholders of Nathalin Company Limited	Capital Structure	
	Amount (Shares)	%
1. Panboonhom Group	3,315,109	83.46
1.1 Mr. Churdchoo Panboonhom	1,637,242	41.22
1.2 Mrs. Vilaisree Panboonhom	1,196,367	30.12
1.3 Ms. Paleerat Panboonhom	160,500	4.04
1.4 Ms. Neeracha Panboonhom	160,500	4.04
1.5 Mr. Paween Panboonhom	160,500	4.04
2. Mr. Suraphon Meesathien and Wife	371,676	9.36
3. Mr. Prompong Chaisrisawatsuk	122,930	3.09
4. Mr. Channarong Thueng-Fung	56,496	1.42
5. Midshipman Chanwit Anakkun Navy	47,116	1.19
6. Ms. Rutairat Chiwapongkun	43,529	1.10
7. Mr. Somsak Ratsamewiriyanon	15,144	0.38
Total	3,972,000	100.00

Other Securities

The company issued debentures of Sea Oil Public Company Limited, due in 2020, to be offered to financial institutions or major investors (II & HNW) With details of the debentures as follows:

Debenture No.	Issued value (Million Baht)	Non-maturity value (Million Baht)	Issued Date	Maturity Date	Coupon Rate (%)
Specify the name of the unsubordinated shareholders with insurance and the bondholders' representative	400	400	February 23, 2018	February 23, 2020 (2 Years)	Fixed at 5.90% Per year (Pay interest every 3 months)

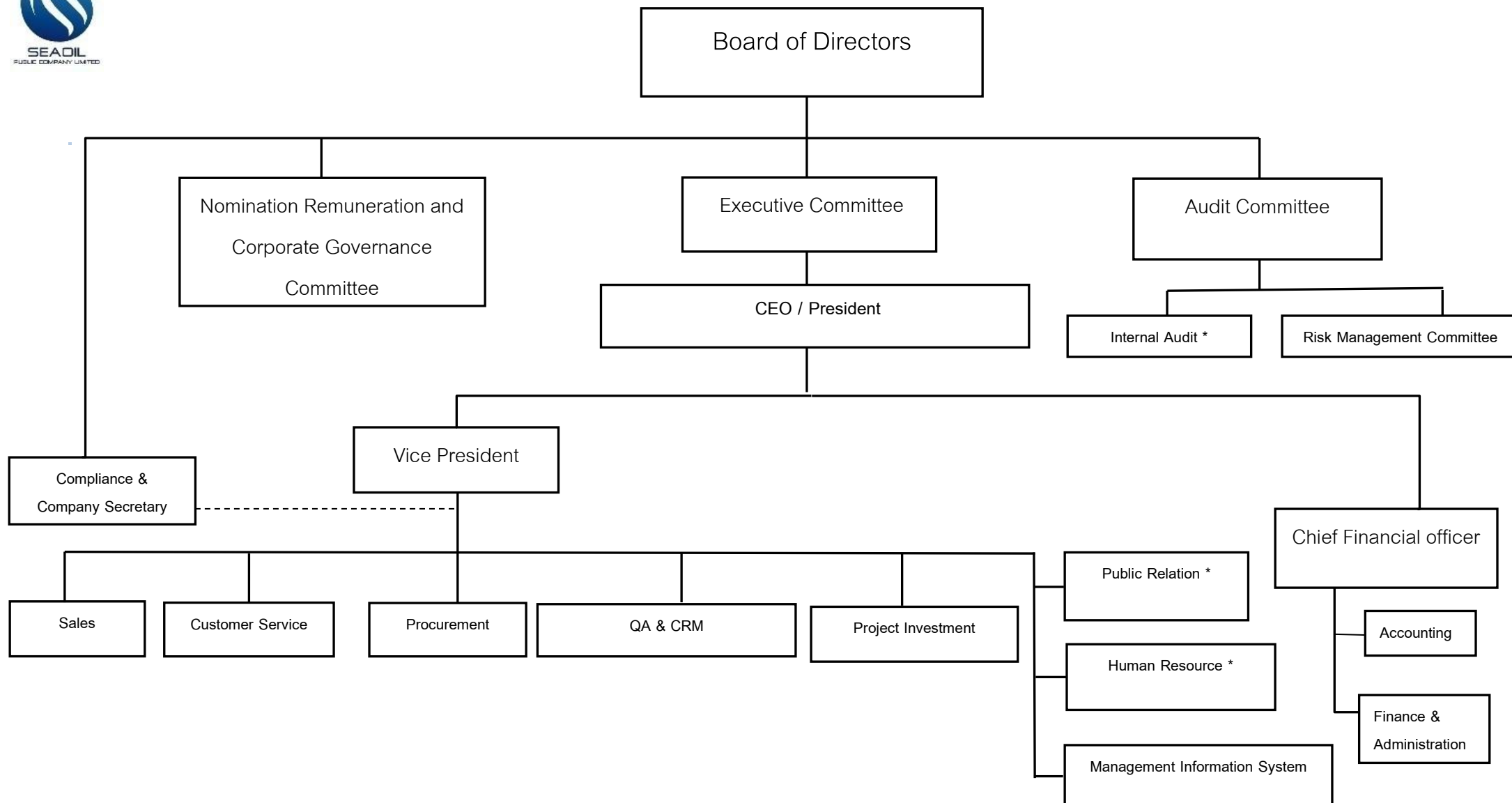
The company issued bills of exchange, Sea Oil Public Company Limited, due in 2018, for sale to financial institutions or large investors (II & HNW) with details of bills of exchange as follows:

B/E No.	Issued value (Million Baht)	Non-maturity value (Million Baht)	Issued Date	Maturity Date	Discount rate (%)
Short-term bill of exchange, not more than 270 days, with specify payee but not specify interest	400	0	August 23, 2017	February 23, 2018 (6 Months)	-None- Minus discount 12.69 million baht

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.

Organization Chart 2018



Remark

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

** For Outsource Operation (HR, MIS) The Company assigned QA Department to Control & Evaluate the performance of Outsource.

*** The Audit Committee is responsible for evaluating the performance of the Internal Audit

The Company Organization consisted of the Board of Directors and sub-committee as the Audit committee, The Nomination and Remuneration, 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, 2018, 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, Remuneration and 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, Remuneration and Corporate Governance Committee
5. Mr.Suraphon Meesathien	Director / Member of the Nomination, Remuneration 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 / 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 the Company policy formulation and 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 Board of Director meetings and set meeting agendas.
2. Be a Chairman of the Board of Directors meetings and shareholders' meetings, ensure efficient meetings in compliance with the company rules and regulations.
3. Giving the opportunities and encourage directors to express their opinions independently.

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 the Company 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, risk management and anti-corruption 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. Appointment of a person to be a director in a subsidiary or associated company in proportion to the shareholding in a subsidiary or associated company. Including the use of control policies and corporate governance mechanisms that the company invests in subsidiaries or associated company. To show that the company has a mechanism to supervise the subsidiaries as specified in the notification regarding the request for permission and the offer for sale of newly issued shares
16. 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.
17. 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.
18. To appoint board or people who have qualification, competency and experience as the company board to be company secretary.
19. To supervise disclosing data that is related to the company correctly, completely, punctually and transparently through accessible data.
20. 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.
21. Directors must report to the company about their conflict of interests or related persons. Which is conflict of interests in the management of the business of the company and its subsidiaries. To be in accordance with the rules, conditions and procedures prescribed by the Capital Market Supervisory Board.
22. Directors must jointly be responsible for the person who trades the company's securities in any damage. Caused by disclosure of information to shareholders or the general public. By showing false statements in essence or concealing the actual message that should be notified in the important matters as prescribed by the Securities and Exchange Act. Unless such director and executive can prove that his or her position may not be aware of the truth of the information or the lack of information that should be reported.
23. Directors, spouses and underage children of directors or executives are prohibited from using internal information of the company, subsidiaries or associated companies. Either derived from the duty or in any

other way with or without a significant impact on the company, subsidiaries or associated companies. For self-interest or others, whether directly or indirectly, receive something in returns or not.

24. Directors, including related persons of such directors and executives has a duty to inform the company of the relationship and transactions with the company, subsidiaries and associates. In a manner that may cause conflicts of interest and avoid making transactions that may cause conflicts of interest with the company, subsidiaries or associated companies.

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

25. 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 December 31, 2018, The member of Audit Committee are 3 independent directors as follows:

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

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

Secretary of the Audit Committee: Mrs.Saowanee Sutthitham

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

Scope of authority and duty of the Audit Committee

1. Review the Company's financial report to ensure accuracy and adequacy.

2. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine and internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of and internal audit.

3. Review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company business.

4. Consider, select and nominate the independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.

5. Review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations and are reasonable and for the highest benefit of the Company.

6. Prepare and disclose an audit committee's report in the Company's annual report which must be signed by Chairman of Audit committee and consist of at least the following information:

- (1) an opinion on accuracy, completeness and creditability of the Company'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 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 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, Remuneration and Corporate Governance Committee.

The Board of Directors Meeting No. 1/2018 held on February 23, 2018 has approved the appointment of the Nomination Remuneration and Corporate Governance Committee: "NRCGC". By combining 2 sub-committees together, including Nomination and Remuneration Committee: "NRC" and Corporate Governance Committee: "CGC". Their duties are to support the performance of the Board of Directors, determining the criteria and guidelines for performance in terms of Remuneration and Nomination of the qualified person for the position of the directors, sub-committee and manager of the company. Moreover, the formulation of corporate governance policies to be in accordance with the principles of good corporate governance of listed companies in the Stock Exchange of Thailand, as well as, promoting and supporting personnel at all levels of the company. Adhere to and follow the principles of corporate governance and business ethics. For efficiency in management, transparency, accountability and confidence to shareholders, investors, stakeholders and all related parties, consisting of 3 persons as follows:

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

Secretary of NRCGC: Mrs. Saowanee Sutthitham

Scope of authority and duty of the Nomination, Remuneration and Corporate Governance 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) Evaluating the performance of the top management and reporting to the Board of Directors for their consent.
- (6) Executing other tasks related to nominations as assigned by the Board of Directors.

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.

3. Corporate Governance

- (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.

Nomination, Remuneration and Corporate Governance Committee directly reports to the Board of Directors and preparing the report of Nomination, Remuneration and Corporate Governance Committee in annual report. Have the office term of three years. Resigned committee may be re-appointed as the Board of Directors see as appropriate.

The Executive Committee

As of December 31, 2018, The member of Executive Committee are 6 directors as follows:

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

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.

Manager

As of December 31, 2018, The member of Manager consist of 7 members as follows:

Name	Position
1. Ms. 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
7. Mrs. Saowanee Sutthitham	Compliance Manager and Company Secretary

Scope of authority of President & Chief Executive Officer and Managing Directors

Board of Directors had determined the scope and authority of President & Chief Executive Officer and Managing Directors as follows.

1. Take responsible, supervise operation and/or daily management of the company including supervise overall operation 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 President & Chief Executive Officer and Managing Directors 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 follows:

Director Name	Year 2018 (Meeting Attendance / All of Meeting Times)	Meeting without executives of the year 2018 (Meeting Attendance / All of Meeting Times)	Total
1. Mr.Apsit Rujikeatkamjorn	6 / 6	1 / 1	7 / 7
2. Mr.Taweep Soontornsingha	6 / 6	1 / 1	7 / 7
3. Assoc.Prof.Dr.Ruth Banomyong	6 / 6	1 / 1	7 / 7
4. Dr.Chalermwit Chimtragoon	6 / 6	1 / 1	7 / 7
5. Mr.Suraphon Meesathien	5 / 6*	1 / 1	6 / 7
6. Mr.Prompong Chaisrisawatsuk	6 / 6	-	6 / 6
7. Mrs.Neeracha Panboonhom	6 / 6	-	6 / 6
8. Mrs. Suthida Karuedetkosol	6 / 6	-	6 / 6

Remark*: Mr. Suraphon Meesathien absence from meeting No. 4/2018, because of the urgent business.

Participant of meeting of the Audit Committee concluded as follows:

Name	Year 2018 (Meeting Attendance / All of Meeting Times)
1. Assoc.Prof.Dr. Ruth Banomyong	5 / 5
2. Mr. Taweep Soontornsingha	5 / 5
3. Dr. Chalermwit Chimtragoon	5 / 5

Participant of meeting of The Nomination, Remuneration Corporate Governance Committee concluded as follows:

Name	Year 2018 (Meeting Attendance / All of Meeting Times)
1. Mr. Taweep Soontornsingha	2 / 2

2. Mr. Suraphon Meesathien	2 / 2
3. Dr. Chalermwit Chimtragoon	2 / 2

Participant of meeting of the Executive Committee concluded as follows:

Name	Year 2018
	(Meeting Attendance / All of Meeting Times)
1. Mrs. Neeracha Panboonhom	12 / 12
2. Mr. Prompong Chaisrisawatsuk	11 / 12*
3. Mrs. Suthida Karuedetkosol	12 / 12
4. Mr. Chayawat Teekamitree	12 / 12
5. Mrs. Kusuma Vannapruk	12 / 12
6. Mrs. Siranee Komintarachat**	11 / 12*

Remark*: Mr. Prompong Chaisrisawatsuk absence from meeting No. 11/2018, because of the urgent business.

Mrs. Siranee Komintarachat absence from meeting No. 12/2018, because of mission in another province.

Remuneration of Directors and Management

The Annual General Meeting 2018 on April 20, 2018 has approved determined remuneration of directors and sub-committee for year 2018 by total in the limits of 8 million baht, consisting of monthly compensation, meeting allowance and bonus, with the same remuneration structure as the year 2017, as follows:

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
 - A Member of Audit Committee receives 15,000 baht per meeting
 - The Chairman of Nomination, Remuneration Corporate Governance Committee receives 20,000 baht per meeting
 - A Member of Nomination, Remuneration Corporate Governance Committee receives 15,000 baht per meeting
 - The Chairman of Executive Committee receives 16,500 baht per meeting
 - A Member of Executive Committee receives 11,000 baht per meeting
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, Remuneration and Corporate Governance Committee's remuneration concluded as follow:

Director Name	Remuneration of Year 2018 (Unit : Baht)				
	Remuneration	Meeting Fee of Audit Committee	Meeting Fee of NRCGC	Bonus	Total
1. Mr.Apsit Rujikeatkamjorn	528,000	-	-	528,000	528,000
2. Mr.Taweep Soontornsingha	330,000	75,000	40,000	445,000	330,000
3. Assoc.Prof.Dr.Ruth Banomyong	330,000	100,000	-	430,000	330,000
4. Dr.Chalermwit Chimtragoon	330,000	75,000	30,000	435,000	330,000
5. Mr.Suraphon Meesathien	462,000	-	30,000	492,000	462,000
6. Mr.Prompong Chaisrisawatsuk	462,000	-	-	462,000	462,000
7. Ms.Neeracha Panboonhom	462,000	-	-	462,000	462,000
8. Mrs. Suthida Karuedetkosol	462,000	-	-	462,000	462,000
Total	3,366,000	250,000	100,000	3,716,000	3,366,000

Remuneration of Manager

The Company paid remuneration to the board, manager and higher positions in total of 7 people as follows:

Remuneration of Management	2018
	Amount (Million Baht)
Wage, Bonus, Position allowance, Overtime wage and Allowance	18.22
Other Remuneration such as Social Security Fund and other welfare.	0.81
Total	19.03

Number of officers

As of December 31, 2018, the company and its subsidiaries both at home and aboard had a total number of officers (excluding directors and management) as follows:

The officers in each department	Number of officers
Sales Department / Customer Service Department	17
QA & CRM Department	6

The officers in each department	Number of officers
Finance and Accounting Department / Admin	17
Procurement	1
Investment	2
Compliance and Company Secretary / Secretary	4
Operation (Production & Engineer)	30
Total	77

Remuneration of officer

Remuneration of Officers	Year 2018 Amount (Million Baht)
Wage, Bonus, Position allowance, Overtime wage and Allowance	46.06
Other Remuneration such as Social Security Fund and other welfare.	2.03
Total	48.09

Information of Directors, Executives and Company Secretary

Name: Mr. Apisit Rujikeatkamjorn

Age: 73

Position: Chairman

Appointed: July 28, 2011

Percentage of Shareholding: 2.93% (16,235,000 Shares)

Educational and Seminar:

Master of Civil Engineering Lamar University, Texas, USA

Bachelor of Engineer, Khon Kaen University

Director Certification Program (DCP) Class 166/2012

The Role of Chairman Program (RCP) Class 26/2011

Audit Committee Program (ACP) Class 22/2008

Understanding the Fundamental of Financial Statements Program (UFS) Class 5/2006

Finance for Non-Finance Director (FND) Class 24/2005

Director Accreditation Program (DAP) Class 27/2004

Family relations between executives: (None)

Work Experience:

Other listed company as a Director/Executive:

2017 - Present	Chairman	Lao Agro Tech PCL.
2014 - Present	Chairman	Asia Biomass PCL.
2014 - Present	Chairman / Independent Director	Asia Green Energy PCL.
2008 - Present	Chairman / Independent Director	Siam Global House PCL.
2011 - 2014	Independent Director / Member of Audit Committee	Thai Oil PCL.
2009 - 2013	Independent Director / Chairman of Audit Committee	Thai Rotary Engineering PCL.
2008 - 2013	Chairman	PAE (Thailand) PCL.
2006 - 2013	Director	Thai Lube Base PCL.

Other non-listed company as a Director/Executive:

2017 - Present	Chairman	Global House Cambodia Co., Ltd
2015 - Present	Chairman	D.T.C. Enterprise Co., Ltd
2015 - Present	Chairman	OPG Tech Co., Ltd.
2011 - Present	Chairman	Eco Lighting Co., Ltd.
2014 - 2018	Chairman	Siam Global House International Co., Ltd
2009 - 2014	Director	Sakari Resources Limited

Other company / Other special activity: (None)



Other company that have conflicts of interest: (None)

Name: Mr.Taweep Soontornsingha

Age: 68

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

Appointed: July 28, 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

Advanced Audit Committee Program (AACP) Class 17/2015

Role of the Compensation Committee (RCC) Class 20/2015

The New Auditor Report: Understanding Key Audit Matters

Family relations between executives: (None)

Work Experience:

Other listed company as a Director/Executive:

1992 - 2010 Manager

Kasikorn Bank Public Co., Ltd.

Other non-listed company as a Director/Executive: (None)

Other company / Other special activity: (None)

Other company that have conflicts of interest: (None)



Name: Assoc. Prof. Dr.Ruth Banomyong

Age: 51

Position: Independent Director / Chairman of Audit Committee

Appointed: July 28, 2011

Percentage of Shareholding: (None)

Educational and Seminar:

Doctor of Philosophy (International Logistics), Cardiff University, Wales, United Kingdom



Post-Graduate Diploma in Social Science Research Methods, Cardiff University, Wales, United Kingdom

Master of Laws (International Business Law), Universite de Paris I, Pantheon-Sorbonne, France

Bachelor of Law (International Law), Universite de Paris I, Pantheon-Sorbonne, France

Bachelor of Economics, Lycee Michelet, France

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

Family relations between executives: (None)

Work Experience:

Other listed company as a Director/Executive:

2016 - Present	Chairman of Audit Committee / Independent Director	C.P.L. Group PCL.
2014 - Present	Chairman of Audit Committee / Independent Director	Wice Logistic PCL.

Other non-listed company as a Director/Executive:

2016 - Present	Director	Global Allsights Co., Ltd.
1996 - Present	Director	Living Head Quarter Co., Ltd.
2013 - 2015	Director	Wice Freight Services Co., Ltd.
2011 - 2013	Independent Director	Charoensin Property Co., Ltd.

Other company / Other special activity:

1993 - Present	Teacher of Faculty of Commerce and Accountancy	Thammasat University
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Name: Dr.Chalermwit Chimtragoon

Age: 69

Position: Independent Director / Member of Audit Committee /

Member of Nomination, Remuneration and Corporate Governance Committee

Appointed: July 28, 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 Certification Program (DCP) Class 158/2012



Director Accreditation Program (DAP) Class 92/2011

Audit Committee Program (ACP) Class 42/2013

Financial Statements for Directors (FSD) Class 23/2014

Advanced Audit Committee Program (AACP) Class 17/2015

Role of the Compensation Committee (RCC) Class 20/2015

Supervision and Prevention of Cybercrime

Cybercrime - The Looming Threat to Global Economy

Family relations between executives: (None)

Work Experience:

Other listed company as a Director/Executive: (None)

Other non-listed company as a Director/Executive: (None)

Other company / Other special activity:

2009 – Present Chairman of the Executive Development
Program Teachers and educational personnel

Rajapark Institute

2006 – Present Expert, Special Lecturer, Thesis Adviser
Master's Degree, Doctorate Degree

Public and private universities

Other company that have conflicts of interest: (None)

Name: Mr.Suraphon Meesathien

Age: 65

Position: Director / Member of Nomination, Remuneration
and Corporate Governance Committee

Appointed: July 28, 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



Supervision and Prevention of Cybercrime

Anti-corruption: The practical guide

ISO 27001:2013 Internal Auditor

Change Management

Family relations between executives: (None)

Work Experience:

Other listed company as a Director/Executive:

2007 - Present Director

Prima Marine Co., Ltd.

Other non-listed company as a Director/Executive:

2018 - Present Director

Big Sea Co., Ltd.

2007 - Present Managing Director

Nathalin Co., Ltd.

2014 - 2016 Director

N.T.L. Marine Co., Ltd.

2011 - 2018 Director

Nathalin Shipping Pte. Ltd.

2011 - 2017 Director

Khunnathee Co., Ltd.

2011 - 2016 Director

TMN Co.,Ltd.

2006 - 2016 Director

Golden Ship Supply Co., Ltd.

Other company / Other special activity:

2009 - Present Vice-Chairman

Thai Ship Owners

Other company that have conflicts of interest: (None)

Name: Mr. Prompong Chaisrisawatsuk

Age: 52

Position: Director / Member of Executive Committee

Appointed: July 28, 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

Anti-corruption: The practical guide

Aligning Risk with Strategy and Performance

Family relations between executives: (None)

Work Experience:

Other listed company as a Director/Executive:

2015 - Present Director / Member of Executive Committee /

Prima Marine PCL.

Member of Risk Committee



Other non-listed company as a Director/Executive:

2016 - Present	Director	Winchai Co., Ltd.
2012 - Present	Director	Nathalin Co., Ltd.
2012 - Present	Director	TATE Offshore Co.,Ltd
2011 - Present	Director	Nathalin Shipping Pte. Ltd.
2012 - 2016	Director	Top-NTL PTE Ltd.
2005 - 2014	Director	Khunnathee Co., Ltd.

Other company / Other special activity: (None)

Other company that have conflicts of interest: (None)

Name: Ms.Neeracha Panboonhom

Age: 37

Position: Director / Chairman of Executive Committee /
President & CEO

Appointed: July 28, 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

Masterclass in Private Equity by London Business School (LBS) 2014

Industrial and Investment Development for Executive (IBID) Class 2/2015

Risk Management program for Corporate Leader (RCL) Class 4/2016

Anti-corruption: The practical guide

Fundamentals of petroleum economics

Aligning Risk with Strategy and Performance

Change Management

Modern Marketing Management Generation 40



Family relations between executives: (None)

Work Experience:

Other listed company as a Director/Executive: (None)

Other non-listed company as a Director/Executive:

2017 - Present	Director	Living Energy Co., Ltd. and Subsidiaries*
2016 - Present	Director	Sea Oil Petrochemical Co., Ltd. Distillation
2015 - Present	Director / Managing Director	Sea Oil Petroleum PTE. LTD.
2015 - Present	Director	Sea Oil Offshore Limited
2014 - Present	Director / Managing Director	Sea Oil Energy Limited
2012 - Present	Director	Nathalin Co., Ltd.
2012 - 2015	Director	United Offshore Aviation Co., Ltd.

Other company / Other special activity: (None)

Other company that have conflicts of interest: (None)

***Note** Subsidiaries included; 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. And NW Energy Co., Ltd.

Name: Mrs.Suthida Karuedetkosol

Age: 37

Position: Director / Member of Executive Committee / Vice President

Appointed: May 12, 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

Corporate Governance for Executives (CGE) Class 6 / 2016

Director Accreditation Program (DAP) Class 132 / 2016

Director Certification Program (DCP) Class 245/2017

Risk Management program for Corporate Leader (RCL) Class 4/2016

Anti-corruption: The practical guide

People Management for Highest Performance

Cybercrime - The Looming Threat to Global Economy

Fundamentals of petroleum economics

Aligning Risk with Strategy and Performance

Change Management



Family relations between executives: (None)

Work Experience:

Other listed company as a Director/Executive: (None)

Other non-listed company as a Director/Executive:

2017 - Present	Director	Living Energy Co., Ltd. and Subsidiaries
2016 - Present	Director	Sea Oil Petroleum PTE. LTD.
2016 - Present	Director	Sea Oil Offshore Ltd.
2016 - Present	Director	Sea Oil Energy Ltd.
2016 - Present	Director / Acting Managing Director	Sea Oil Petrochemical Co., Ltd. Distillation
2014 - 2016	Managing Director	Srithai Capital Co., Ltd.
2014 - 2016	Business Development Director	Nathalin Co., Ltd.

Other company / Other special activity: (None)

Other company that have conflicts of interest: (None)

***Note:** Subsidiaries included; 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. And NW Energy Co., Ltd.

Name: Mrs.Kusuma Vannapruk

Age: 51

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

Percentage of Shareholding: (None)

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

Basis Merger & Acquisition and Joint Venture

CFO Current Issue: Forward looking

Strategic CFO in Capital Market Program 5/2017

Orientation Course CFO

Anti-corruption: The practical guide

People Management for Highest Performance

Aligning Risk with Strategy and Performance

Accounting for Executives

Change Management



Work Experience:
Other listed company as a Director/Executive:

2007 - 2012 Bank Manager Bangkok Bank PCL.

Other non-listed company as a Director/Executive:

2017 - Present Director Living Energy Co., Ltd. and Subsidiaries
 2016 - Present Director Sea Oil Petrochemical Co., Ltd. Distillation
 2016 - Present Director Sea Oil Energy Ltd.
 2015 - Present Director Sea Oil Petroleum PTE. LTD.
 2015 - Present Director Sea Oil Offshore Limited

Other company / Other special activity: (None)

Other company that have conflicts of interest: (None)

Name: Mr.Chayawat Teekamitree

Age: 48

Position: Member of Executive Committee / Sale Manager

Percentage of Shareholding: 0.01% (69,250 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
 Strategic Thinking and Planning
 Energy Outlook and Smart Energy
 Anti-corruption: The practical guide
 Legal Compliance of export transport by truck
 Accounting for Non-accountant Executives to control the decision making
 Aligning Risk with Strategy and Performance
 Modern Presentation Design
 Change Management


Work Experience:

Other listed company as a Director/Executive: (None)

Other non-listed company as a Director/Executive:

2015 - Present Director / Managing Director Sea Oil Offshore Limited

Other company / Other special activity: (None)

Other company that have conflicts of interest: (None)

Name: Mrs.Siranee Komintarachat

Age: 45

Position: Member of Executive Committee / Customer Service Manager

Percentage of Shareholding: 0.07% (360,000 Shares)

Educational and Seminar:

Master of Social Administration, Thammasat University

Bachelor of Business Administration, Bangkok University

HR For Non-HR For Manager

Strategic Thinking and Planning

Anti-corruption: The practical guide

Legal Compliance of export transport by truck

5S to increase productivity

ISO9001:2015 Internal Quality Assessment System

Accounting for Non-accountant Executives

People management for highest performance

Aligning Risk with Strategy and Performance

Change Management

Work Experience:

Other listed company as a Director/Executive: (None)

Other non-listed company as a Director/Executive:

2015 - 2016 Director

Sea Oil Offshore Limited

Other company / Other special activity: (None)

Other company that have conflicts of interest: (None)



Name: Mr.Vatchara Vutiputanunt

Age: 53

Position: Quality Assurance & Customer Relationship Management Manager

Percentage of Shareholding: (None)



Educational and Seminar:

Bachelor of Business Administration (Marketing),
Assumption Business Administration College (ABAC)
Interpretation of Haccp / GMP Requirement
PSM Internal Audit of Chemical Hazard Management
Change Management

Work Experience:

Other listed company as a Director/Executive: (None)

Other non-listed company as a Director/Executive:

1997 - 2014 Area Manager, Business Consultant, OE/HES Specialist, Chevron (Thai) Co., Ltd.
Asset Transaction Specialist,
Maintenance & Construction Specialist

Other company / Other special activity: (None)

Other company that have conflicts of interest: (None)

Name: Mrs.Saowanee Sutthitham

Age: 44

Position: Compliance Manager and Company Secretary

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
Software IT Asset & Cyber Incident Management
Legal Compliance of export transport by truck
5S to increase productivity
People management for highest performance
Aligning Risk with Strategy and Performance
Change Management

Work Experience:

Other listed company as a Director/Executive:



2004 – 2006 Head of Compliance and Internal Audit office Dhanamitr Factoring PCL.

Other non-listed company as a Director/Executive:

2009 - 2012 Accounting & Finance Manager Educational Travel Center Co., Ltd.

Other company / Other special activity: (None)

Other company that have conflicts of interest: (None)

Number of shares held by the Directors, Management and Company Secretary (As of December 31, 2018)

Name	Number of Share			Dec 31, 2018	Number of Shares and % held by Spouse and Children under legal age
	Dec 31, 2017	Shares increase (Decrease) during 2018	Dec 31, 2018	(%) Dec 31, 2018	
1. Mr.Apsit Rujikeatkamjorn	15,426,900	808,100	16,235,000	2.93	None
2. Mr.Tawee Soontornsingha	-	-	-	-	None
3. Assoc.Prof. Dr.Ruth Banomyong	-	-	-	-	None
4. Dr.Chalermwit Chimtragoon	-	-	-	-	None
5. Mr.Suraphon Meesathien	2,933,329	0	2,933,329	0.53	None
6. Mr.Prompong Chaisrisawatsuk	2,933,329	0	2,933,329	0.53	None
7. Ms.Neeracha Panboonhom	4,400,000	0	4,400,000	0.79	None
8. Mrs.Suthida Karuedetkosol	100,570	0	100,570	0.02	None
9. Mrs.Kusuma Vannapruk	293,329	(293,329)	0	0.00	None
10. Mr.Chayawat Teekamitree	109,250	(40,000)	69,250	0.01	None
11. Mrs.Siranee Komintarachat	371,000	(11,000)	360,000	0.07	None
12. Mr.Vatchara Vutiputanunt	-	-	-	-	None
13. Mrs.Saowanee Sutthitham	-	-	-	-	None

Report of the Nomination Remuneration and Corporate Governance Committee

Sea Oil Public Company Limited's Nomination, Remuneration and Corporate Governance Committee ("NRCGC") consisted of 2 independent directors and 1 Non-executive director:

- | | |
|-------------------------------|--|
| 1) Mr. Taweep Soontornsingha | Chairman of NRCGC (Independent Director) |
| 2) Dr. Chalermwit Chimtragoon | Member of NRCGC (Independent Director) |
| 3) Mr. Suraphon Meesathien | Member of NRCGC (Non-Executive Director) |

The Nomination Remuneration and Corporate Governance Committee is responsible for supporting the performance of the Board of Directors in promoting good corporate governance principles. Consider the formulation of rules and policies regarding recruitment. Determine compensation and supervise the business of the directors and sub-committees as well as recruiting, selecting and proposing qualified persons according to the criteria and procedures specified to propose to be appointed as a director and highest executive of the company. In addition, the committee also has a duty to set guidelines for good practices in various factors for the company, to comply with the corporate governance policy and in accordance with the principles of good corporate governance of listed companies in the Stock Exchange of Thailand, as well as promoting and supporting personnel at all levels of the company Adhere to and follow the principles of corporate governance and business ethics for the organization to have sustainable growth.

In 2018, there were 3 Nomination Remuneration and Corporate Governance Committee meetings. In which all auditors attended all 2 meetings, with important details summarized as follows:

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 with knowledge, ability and experience in relevant businesses which provided beneficial advices to the company's operations and has fully met the qualifications as required by the regulations of of the Capital Market Supervisory Board. And can express an independent opinion.
2. To consider the remuneration of directors and sub-committees for year 2018 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 the business expansion in the future.
5. To consider the revised of the Succession Plan revised version of the year 2018, to be more transparent.
6. Consider the corporate governance plans for the year 2019 to define guidelines for the development of corporate governance in various areas. To cover every group of stakeholders in accordance with good corporate governance principles.
7. Consider the plan for organizing the Annual General Meeting of Shareholders for the year 2019 to be transparent and effective as well as taking care of the rights of shareholders to be equal.
8. Consider the development of management systems for corporate sustainability in economic, social and environmental.
9. 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.
10. To acknowledge the progress of the anti-corruption program during the previous year.
11. To consider the revised Corporate Governance Policy and Code of Conduct to be clear and effective to propose for Board of Directors' approval
12. Promoting education training for the employees, to be more aware of the environment conservation and utilizing the resources as efficient as possible with maximum efficiency

The Nomination Remuneration and Corporate Governance Committee Will continue to strive to develop corporate governance operations in order for the company to comply with the code of business conduct and good corporate governance policy and believe that management under the good governance principles Including giving importance to responsibility to all stakeholders Will make the organization grow sustainably Build confidence for shareholders and all stakeholders

On behalf of the Nomination Remuneration and Corporate Governance Committee



(Mr. Taweep Soontornsingha)

Chairman of the Nomination Remuneration and Corporate Governance Committee

Corporate Governance

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 foundation to the company.

Nomination Remuneration and Corporate Governance Committee (NRCGC) was appointed by the resolution of the Board of Directors Meeting No. 1/2018 held on February 23, 2018 to support the Board of Directors performance about the selection of suitable candidates for the position of director, sub-committee, and executives, as well as determining appropriate remuneration transparent, consistent with the recruitment and remuneration policy. To support the performance of the Board of Directors in corporate governance in accordance with the good corporate governance principles of the company. Also, promote all levels of the company to adhere and compliance with corporate governance principles and business ethics.

In 2018, the Board of Directors Had reviewed and approved the formulation of corporate governance policies to be in line with the principles of good corporate governance for listed companies in 2017 by the Office of the Securities and Exchange Commission to appropriately apply. Including assigning the Nomination, Remuneration and Corporate Governance Committee to supervise and follow up to comply with the rules and review or improve relevant policies to be consistent, such as; the revision of the charter business ethics, risk management structure and other practices. Including communication to directors, executives and employees to adhere the guideline throughout the organization as follows:

Rights and Equal Treatment of Shareholders

Board of Directors giving priority to the rights of shareholders and encourage shareholders to exercise their basic rights. In order for the shareholders to participate in making decisions on important matters of the company. Through shareholders' meeting by exercising the rights as follows: The right to propose the agenda of the shareholders' meeting, to attend the meeting and vote at the shareholders' meeting, to appoint other persons to attend the meeting and vote on their behalf, to nominate persons to be appointed as directors of the company, to elect or remove directors individually, to receive sufficient and timely information, to appoint and determine the auditor's remuneration, to vote for annual remuneration for directors, to participate and acknowledge when there are significant changes in the company, to express opinions and ask questions in the shareholders' meeting and to share profit of the company, etc.

To protect the rights of shareholders and encourage the shareholders to use their rights, including the rights in equal treatment, the Board of Directors sets the guidelines for the practice as follows:

1. Shareholder's meeting

1.1 The annual shareholder's meeting will be held within 120 days 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.

1.2 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.

1.3 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.

1.4 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.

1.5 In each meeting of shareholders the company will arrange to use the meeting place in Bangkok. Which is the headquarter of the company. The venue of the meeting of shareholders must have sufficient size to support the number of shareholders and not an obstacle to travel. There are facilities for travelers, have security and are ready to handle emergency situations appropriately.

1.6 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 and the company will proposed 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 themselves.

1.7 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.

1.8 The company will provide ballots for all agenda items that need to be voted on. Each agenda is open and transparent, within a reasonable time and keep the voting card for later examination for the appropriate duration. The company will also provide independent third parties as observers for counting or checking votes at the shareholders' meeting

1.9 Allowing the shareholders to be able to vote for the election of directors individually.

1.10 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.

1.11 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.

1.12 The Board of Directors gives importance to 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.

1.13 The company will disclose the resolution of the shareholders' meeting and voting results for each agenda within the next working day through the news system of the Stock Exchange of Thailand And on the company website.

1.14 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

2.1 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.

2.2 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.

2.3 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.

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:

1. Treating and facilitating all shareholders equally and not doing anything which limit, infringe, or derogate the right of shareholders. Every shareholder has the right to receive information or documents in Thai or English for foreign shareholders.

2. 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.

3. 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. In case that shareholders cannot attend the meeting by themselves Shareholders can appoint an independent director or any person to attend the meeting on their behalf.

4. 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.

5. 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.

6. Determine the trading regulations of the company and how to report shares holdings for directors, executives and employees related to the use of internal information as guidelines. Requires directors and executives has a duty to report securities holdings to the company secretary In order to comply with the requirements of the Securities and Exchange Commission Every time there is a change.

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 and treat shareholders fairly and equally.

2. Roles to the employees

The company recognizes the importance of employees. Which promotes and pushes the organization to achieve its business goals. The company has established human resource management policies. In terms of recruitment, management, proper and fair compensation by providing various welfare for better quality of life of employees. The details are as follows:

- Recruiting qualified personnel to join the organization in accordance with the qualifications of the job position. Through a fair and transparent process. Those who qualify from the Human Resources Department must pass the qualification consideration in the job position from the agency before being admitted to the company's standard competency test and continue to receive job interviews from the committee.
- Command structure. There is clearly defined scope of responsibility and command line. With regular reviews.
- Compensation and welfare management with fairness and compared with the same industry. Including continuous welfare improvements. To promote welfare and well-being of employees, such as; provident fund welfare, lunch welfare, annual health examination, sports, group health insurance, good scholarships for employees' children, education loans etc.
- Good working environment, appropriate and safe to work.
- Personnel development. There are physical plans for annual training and development at all levels. Both internal training by qualified speakers to provide knowledge, training internal personnel to be internal lecturer, sending employees to train with leading institutions outside the office according to the department's plans, etc.
- Promoting personnel in the organization has clear and fair criteria. Because the personnel had to go through the evaluation process, interview and selection according to the procedure. To get personnel that are ready, have the potential and suitable for the promotion
- Allowing employees to report issues or suggestions about illegal actions or corruption through convenient and appropriate channels.

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 creditors and partners with integrity by taking in to account of mutual benefits with creditors and business partners in every terms and conditions that are agreed with every creditor and partner. Within the rules and regulations. In accordance with the procurement policy and guidelines for business partners, having selected partners, suppliers and services as well as the subcontractors to be in a systematic,

transparent, fair and verifiable manner. Including a policy of paying creditors and partners on time, in order to maintain financial reliability standards and maintain a lasting relationship with creditors and partners.

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. Role to the government

The company has set guidelines for the government sector. In order to avoid improper operations and to prevent corruption

7. Roles to the community, society and environment

The company recognizes the importance of conducting business with responsibility to the community, society and environment. Committed to conducting business in a fair and ethical manner. Proceed to comply with the law. Strict rules and regulations related to business operations of the company. Not taking any action that promotes or supports illegal practices or avoids laws. Does not support operations that are in violation of intellectual property or copyright and against all forms of corruption. The company gives importance to strengthening the community and society. Support activities and projects that supports the community and promotes education In order to create a foundation of education for the youth of the country in the future, the company gives importance and takes into account the impact on nature and the environment in various activities of the organization, creating an organizational culture. By creating awareness of employees at all levels In performing duties with social responsibility and the environment as well as using resources efficiently and for maximum efficiency.

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. both Thai and English. Moreover, the company has assigned the company secretary act as investor relations to communicate with shareholders, investors, analysts, stakeholders and related government agencies in order to receive information equally

The Company has established policies and measures to supervise the use of internal information by requiring directors, executives and employees of all levels not to use inside information of the company for illegal use, personal gain or for others to buy and sell the company's securities. Stop trading or transferring the company's securities during the period of prohibited trading as specified in the securities trading regulations Including limiting access to information. Providing or requesting information between departments must be approved by the highest supervisor of that department.

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, the company secretary and Investor Relation to communicate with investors, shareholders, analysts and related public sectors to provide a complete, correct, and fair information. Investor Relation can be contacted by these 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

Responsibilities of directors

The Board of Directors has an important role in corporate governance. The Board of Directors is the one who create policy, formulate a strategic framework, follow up and evaluate the management's performance. To ensure that appropriate policies and procedures are implemented in an effective and efficient manner for the company and the stakeholders. The person who has been appointed as a director must be knowledgeable, capable and experienced in various fields that are beneficial to the company. With integrity, vision, dedication in responsible work and freedom to make decisions to bring maximum benefits for the company and shareholders. The company has determined the composition And the duties and responsibilities of the Board of Directors as follows:

1. Structure of the Board of Directors

1.1. The Board of Directors must be consisted with at least 5 directors, with not less than half of a total directors must have residence in Thailand and have qualifications as required by law, consisting of independent directors at least one-third of the total number but not less than 3 persons, and acquired the qualifications according to the criteria for nomination of independent directors as specified by the Capital Market Supervisory Board. Which is independent from the management and has no direct or indirect benefits or interests, not being a related person or relative of an executive or a major shareholder of the company. At present, the company has 8 directors, divided into 3 executive directors, 2 non-executive directors and 3 audit committees / independent directors. Which meets the requirements and the independent directors who serve as members of the Audit Committee must be at least 3 persons. The directors must be qualified according to the nomination of the Board of Directors.

1.2. The Board of Directors nominates sub-committees; Audit Committee, Nomination Remuneration and 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 Remuneration and 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 has appointed 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.

1.5. The Board of Directors will select one director to be the Chairman of the Board and The Board of directors may consider selection of one or more directors as vice chairman.

1.6. The company requires the chairman must not be the same person as the Chief Executive Officer and the President.

1.7. Independent Directors must not be in the position for more than 9 years.

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

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

3. Remuneration

3.1. 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.

3.2. 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.

3.3. Nomination and Remuneration Committee is considered and evaluated the performance of the Managing Director every year and presented to the Board of Directors, to be used in determining the remuneration of the Managing Director using the agreed norms.

4. Development on the directors and the executives

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

In 2018, The company Directors and Managers had attended training courses for knowledge development and management skills as follows:

- Aligning Risk with Strategy and Performance
- Anti-corruption: The practical guide
- Fundamentals of petroleum economics
- IT Security Awareness
- People Management for Highest Performance
- Legal Compliance of export transport by truck
- Accounting for Executives
- Accounting for Non-accountant Executives to control the decision making
- ISO9001:2015 Internal Quality Assessment System
- ISO 27001:2013 Internal Auditor
- ISO 14001:2015 Determining work risk
- ISO 45001 Standard preparation
- 5S to Increase Productivity
- Process Safety Management
- System requirements for safety, occupational health and environment standards
- Chemical Management, effective prevention and fire prevention

Including training for all directors on topics that are in line with the current world situation.

Improve the operation and develop the organization to have a sustainable development. (Training information of directors Appear in the details of the directors, executives and company secretary.)

Nomination of directors and executives

The company have resolution appointed the Nomination Remuneration and Corporate Governance 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 integrity 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, major shareholder or the shareholders in relationship with the major shareholders
8. Not operating the business with the same condition and the significant competition to the company business or the affiliates or not being the partners with the significance in the partnership or the directors with the participation in managing the employees or consultants with salary or holding the shares for over 1% of the shares in other company with the same kind of operation and the significant competition to the business operation of the company or the affiliates
9. Not having any other features which cannot express the opinions independently in relation with the company's operation. The qualification of the aforementioned independent directors follows the definitions specified in the Notification of Capital Market Supervisory Board.

Qualification of the Audit Committee

1. Being nominated from the directors or company shareholder's meeting to be the Audit Committee.
2. Being the independent directors and must:
 - 2.1 Not being the directors assigned by the Board of Directors in making the decision of the operation of the mother company, affiliates, consortium, major shareholders, or juristic persons possibly having some conflict.
 - 2.2 Not being the directors of the parent 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 enough experience for performing the role of Audit Committee. There must be at least 1 Audit Committee with knowledge and experience in accounting and finance enough 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 appoint the Executive Committee that passed the consideration by Numeration Remuneration and Corporate Governance Committee by selecting from the top executives of the company or outsiders who are knowledgeable and has experience related to the business directly that can manage the work that related to business operations. To manage the routine work that exceeds the authority of the position of President and Chief Executives Officer and scrutinize administrative work to present important matters to the Board of Directors.

Nomination and Appointment of CEO/President

The Board of Directors will nominate the CEO/President considered by the Nomination Remuneration and Corporate Governance Committee based on the following criteria.

- Is a director of the company according to the company's regulations and has no prohibited characteristics as required by the law, has enough knowledge and experience related to the business of the company
- Experience in Leadership competency with high leadership
- Been recognized in relevant business
- Conflicts of interest concerned
- Able to devote time to fully perform duties

Development and succession plan

The company has principles and guidelines for planning successors. To select key successors for the organization. To develop the potential to be able to hold positions within the specified time. Which has a selection of successors and potential development and follow up the successors with the following guidelines:

1. Specify the important positions of the organization and prepared profile needed of the positions. Which included responsibilities, educations, skills or experience needed, and competency of the positions.
2. For performance assessment of successor, average score of 2 consecutive years of performance appraisal align with competency and personality assessment from supervisor or next level.
3. Crate a group of successors. By measuring from successors profile matching, whose ready to take the position.
4. Prepared the individual development plan. The successor and the position holder have to consider planning the development plan together. Which will be followed by human resources department.

The Board of Directors has appointed sub-committees to support in business with the following committees:

- The Risk Management committee consists of: Chairman of Executive Committee Acting Head of Risk Management Committee and every manager from every related departments. 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 Working Group will report the performance to the Audit Committee on a quarterly basis.
- Corporate Social Responsibility Work Group (CSR) consists of: Company Secretary, head of CSR work team and Representatives from each department. (At least one person per department)

Their duty and responsibility are to set guidelines of CSR Activities under the CSR Policy. In addition, the CSR Working Group 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.

Furthermore, 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.

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 effectively and efficiently as are follows:

- Information that should be known for new director orientation. Through the director's manual, such as company history, business structure regulations, board structure, board charter, sub-committee, approval authority table, related policies and regulations, meeting plans and meeting procedures.
- The presentation of summary information by the Chief Executive Officer and President about Business Practices, Corporate Governance and Business Ethics Management structure. Introduce to executives in each department as well as visiting the work place of the company and its subsidiaries.
- Arrange meetings with the Chairman, Directors and Top executives

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, including The Board of Directors, Sub-committee and CEO/President through consideration from the Nomination, Remuneration and Corporate Governance Committee to analyze self-assessment results for more effective and efficiency

performance, by applying the self-assessment form of the Board of Directors and sub-committees of The Stock Exchange of Thailand to be applied to suit the organization. With the following assessment topics as follows:

The self-assessment of the Board of Directors consists of 6 topics 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 consists of 3 topics as follows:

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

Self-Assessment Individually consists of 3 topics as follows:

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

The results of the evaluation are summarized as follows.

Board of Directors, total average score was 94.68%. (Very Good)

Audit Committee, total average score was 100.00%. (Very Good)

Nomination, Remuneration and Corporate Governance Committee, total average score was 90.28%. (Very Good)

Executive Committee, total average score is 91.67% (Very Good)

Self-Assessment of the CEO/President consists of 3 topics as follows:

- 1) The progress of the work plan
- 2) The performance measures. Which can be separated to leadership, strategy planning, compliance with the strategies, planning and performing financially, relationship with the directors, relationship with external, managing and relationship with personnel, the succession, knowledge about products and services and personalities.
- 3) CEO development

Regarding the self-assessment of the CEO/President the total average score was 87.90% which considered as Good. The Nomination Remuneration and Corporate Governance Committee will evaluate 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 company representatives to be directors in the subsidiaries and affiliated companies. The Company's representative may be 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 – 48 hours after revealing the significant data possibly affecting the share price of the company to public before trading the company's shares.
3. The company gives knowledge and understanding to the directors and the executives of the company about the duty in reporting the holding of securities of themselves, their spouses and children who have not reach the legal age to the Office of Securities and Exchange Commission according to Section 59 of Securities and Stock Exchange Act B.E.2535 ("Securities Act") and the requirements of SET including the duty in reporting the stake holding of the directors and the executives and the prohibition in using the internal data with significance of the company for trading the company's shares including stipulating the relevant punishment according to Securities Act.
4. The Need-to-Know Basis should be stipulated, for example, the communication between the bureaus, the access of area, and the giving or asking for the information between the bureaus must be approved by the highest-ranked supervisors of the bureaus.
5. Report on the holding of securities of directors and executives of the company. To the Board of Directors meeting every quarter.

The Penalty

The company has a disciplinary penalty in case the executives and employees have violated rules, regulations, announcements or orders by the law of the company in the working regulations, accordance with the criteria set by the personnel management department and has announced to executives and employees at all levels to acknowledge.

Audit Fee

(1) Audit Fee - In 2018, 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. Which is the company Audit fee amount of 3.6 million baht and its subsidiaries both at home and aboard amount of 4.51 million baht.

(2) Non-Audit Fee, the Company paid compensation for other services. Miscellaneous expenses incurred during the operation such as travel expenses, postal cost, stamp duty and Copy fee, etc., to companies in the PricewaterhouseCoopers group, both domestic and international, in total amount of 0.14 million baht.

Other Good Corporate Governance Practices

The company has promoted concrete anti-corruption issues and raise the level of anti-corruption policy to be clear. Establish measures and guidelines for actions related to anti-corruption, such as reviewing and evaluating risks in the operational process that may cause corruption in accordance with each operational process. Of each business group along with finding guidelines and preventive measures. Determination of plans for monitoring compliance with anti-corruption policies and report to the Audit Committee every quarter. Improving the regulatory policy, Procurement policy and selection of partners, Approval authority table on activities that are vulnerable to corruption, such as; disbursement of certification fees, donations and various support funds as well as guidelines relating to the code of business conduct in accordance with the anti-corruption policy. Training and communicating policies and increasing channels, receiving suggestions, complaints, as well as reporting clues to corruption, corruption of the organization for a variety of channels. Which corresponds to Chapter 3, the role of stakeholders.

Conflict of Interest Policy

The Group has established good practices to show the intention to conduct business with transparency, accountability, and to adhere to the duties of directors, executives and employees, including related parties and those with relationships. Must avoid being a stakeholder or being a person related to the operation in a manner that may cause a conflict of interest. Therefore, prescribing the following precautions.

1. Directors, Audit Committees and Executives must consider the conflict of interest regarding connected transactions in accordance with the laws governing securities, regulations, announcements, orders or requirements of the Stock Exchange of Thailand carefully. With integrity by taking into account the interests of the company as important, which stakeholders in any matter will not be able to participate in approving such transactions.
2. Don't do anything, which is a competition with the company operation.
3. It is prohibited to have connected persons with the company seeking benefits in private business with the company, such as sell products and services to the company. If there is a need to do so, it must act as if it a third party. With general trade conditions that are the same as general partners. Without the bargaining power of trade from directors, executives or related persons and must make a document explaining and disclosing information to the company in all cases.

4. In any event that any action or situation is suspected and/or being a person who may have a conflict of interest with the company must make a written report revealing the suspected item according to the specified form. By notifying the supervisor according to the floor and submitted to the Authority respectively and Company Secretary. To enter the process of determining whether are there any conflicts of interest with the company and how to proceed.

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 follows:

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.

Guidelines for giving gifts and expenses for entertainment

The company is well aware that building good relationships with business partners is an important thing that will lead to continued success of the company. The company therefore has set the following guidelines

1. Directors, executives and employees are able to give gifts and provided entertainment for business partners. If entering all conditions as follows

1.1 It is not an act to dominate, induce or reward any person to gain an advantage. Through improper actions or hidden in order to obtain help or benefits

1.2 Comply with relevant laws, rules and regulations of the company as specified.

1.3 On behalf of the company, not on behalf of employees. Act openly, not concealed

1.4 Type and value are appropriate and meet criteria, such as in the case of a tender, gift giving or party with government officials, employees of the company or related agencies are not allowed

1.5 suitable for the situation, such as giving small gifts during important festivals which are customary

Director Executives and company employees can receive gifts or any benefits according to the festivals or normal practices. Which must have a value of not more than 3,000 baht (three thousand baht). Any gift received must not be in cash. Or cash equivalents such as gift certificates, gift cards, etc.

If in a situation that cannot deny receiving such gifts or benefits at that time. The recipient must notify the supervisor immediately and prepare a report for receiving gifts and send such gifts to the Authority and Company Secretary To be used as a reward for employees in important festivals or requesting approval to donate to the public charity as appropriate.

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, 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 / 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

Employees who violate or do not follow the rules will be subject to disciplinary action according to the company's policy and regulations. Directors or employees will be punished according to law. If that action is illegal the investigation processes are as follows:

- 1) When receiving clues, The Audit Committee will assign the internal auditor or appoint an investigation committee to be a moderator of investigation and inform the results of the investigation periodically to the whistleblower or the complainant.
- 2) If investigating and found that Information or evidence has a reasonable reason to believe that the accused has committed corruption. The company will give the accused the right to acknowledge the allegations and prove themselves. By finding additional information or evidence that shows he/she has no involvement in the alleged fraud
- 3) If the accused has committed corruption. The corruption will be considered as a violation of anti-corruption policy, business ethics of the company and must be considered disciplinary punishment according to the regulations set by the company. And if fraud is illegal, the offender may be subject to legal penalties. In addition, any disciplinary action according to the company's regulations verdict by the Audit Committee will be considered as final.

The company does not have a policy to demote, punishments or negative results for employees who reject corruption. Although that action will cause the company to lose business opportunities.

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 2018, 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 1893.5 hours of training or 49 hours per person per year 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 Chapter 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. Which will be in line with Chapter 3, stakeholder roles (customers) in accordance with corporate governance policy.

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, Safety, Occupational Health and Environment Policy

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

- 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) Promote training to develop potential and personnel capabilities, to realize and see the impact on the operational risk, as well as creating awareness of participation in social responsibility in terms of quality, safety, health and environment. By using natural resources, knowing the value and maximizing benefits.
- 4) Scheduled for planning Systematic risk management to control and prevent losses in various forms. Provide a control plan and prevent emergencies and crisis of the organization. And provide appropriate and adequate resources.

5) Establish measures to control the transportation of goods to meet safety standards for life and the environment. In order to maintain the quality and quantity of products and prevent risks that may affect the environment.

6) Promote and protect the welfare of personnel. By focusing on personnel with respect to each other. Build working relationships without intimidation, harassment, verbal or action, sexual harassment and abuses of race, religion, skin color or any act that violates human rights.

7. The company has determined to use measures to prevent and suppress the possession of all kinds of narcotics for the use or distribution of all kinds of narcotics. Including drinking alcohol in the workplace or while operating in the work area. If anyone does not comply with the policy, may suspend the job or leave the job immediately.

If there is a reason to suspect that any person in the organization is addicted to alcohol or using drugs. The company will send that person to the doctor to check for drugs. If found that the person have a high level of alcohol or alcohol abuse that is against the law, the company will consider disciplinary action and dismissal.

8. Requiring the publishing of quality, safety, health and environment policies and public relations. To create understanding for personnel Including stakeholders both inside and outside the organization. By opening channels to listen to complaints or suggestions to improve the operation appropriately.

Non-Infringement of Intellectual Property and Copyright Policy

The company requires that Non-Infringement of Intellectual Property and Copyright Policy is an important policy that all executives and employees must strictly follow and require the management to monitor the information to prevent piracy on the computer.

1) Employees must not bring information and company secrets, such as information from ideas, various technical knowledge that related to the business, these cases will be considered as an intellectual property of the company. Moreover, it is prohibited to publish without permission from the company or the person who has been assigned in writing.

2) Employees are responsible for preventing and supervising the information systems of the company in their possession or responsibility. Do not allow unauthorized access to information and not disclose important business information to unrelated people.

3) Employees must have discipline to use the information systems and communication devices of the company, not to negatively impact the group of companies and others, such as using as a tool to access information systems illegally, damage to reputation and property, interfering or disturbing the work of the information system. Including not being used in business or illegally.

4) Employees must not violate the rights of software or intellectual property of others. By using a computer program that is copyrighted correctly.

5) Employees must not violate the Company's information or personal information of others. Unless authorized by the data owner.

6) Employees must keep their passwords confidential. Including not using the internet to access unfamiliar websites, websites without data security protection and may be harmful to the computer system of the company.

7) In case of employees requesting permission to join workers or employees of contractors using information systems of the company, the employees who request must control the use of the contributions the employed worker and be responsible for the damage that occurred.

8) If there is any doubt that any employee uses the information and communication technology system in an inappropriate way or have reasons to protect the safety of the information and communication technology systems of the company. The assigned department will monitor, search, track, investigate and control the use of information and communication technology of that employee.

9) If found that any employee has violated intellectual property, use of information and communication technology. And the investigation results show that is guilty. The employee will be considered disciplinary action and / or laws as appropriate, as the case may be.

Employees are responsible for reporting to supervisors. In any event that the action is seen as a violation of copyright or actions that may cause intellectual property disputes.

Corporate Social 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 	Shareholders, Investors, Customers, Partners, Creditors, Employees, 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 Resource Policy and Personnel Development 	Customers, Partners, Creditors, Financial Institution, Society, Community and Employees

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 ensures 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, thought 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.

At the end of 2014 until 2016, the company is in the petroleum, petrochemical, and industrial sectors that have problems. The price of crude oil in the market has declined considerably. As a result, the income from the business of selling fuel is directly affected. From fluctuating oil prices, making the executives to have to adjust business strategies in order to comply with the changing environment and reduce the impact on the core business of the organization. By expanding investment to other businesses both the business that related to the main business such as condensate separation business, which produces and sells chemicals. In 2017, the company has entered to renewable energy business, such as the solar rooftop project that produces and sells electricity to the Metropolitan Electricity Authority and the Provincial Electricity Authority. Which will create growth potential and increase income and profit stability 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 community and society in the concession area, such as donating learning and sports equipment, both in Nakhon Pathom and Suphanburi provinces, and Nakornchai Prakarn Chemical Co., Ltd. (now called "Sea Oil Petrochemicals Co., Ltd."). engaged in the business of condensate separation plant. Which is located in Amata Nakorn Industrial Estate Mueang Chon Buri district, Chon Buri province. The Group plans to support the development of community and society in Chonburi, such as granting scholarships to students who are underprivileged in the Chonburi area.

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 were implemented to maximize skill development.

Encourage employees to express their opinions or propose a way to develop the organization together with the company. Which the company put the suggestion box within the company for the employees to comments, suggests and complaints. And encourage the employees to apply skills, knowledge, abilities to be used in the work to achieve maximum efficiency and effectiveness.

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 or the company will aware all stakeholders and the environment at most.

The company purchased a solar rooftop power plant that was installed on the roof of the factory, warehouse or rooftop building. Which is a business that does not destroy natural resources and creates pollution for society, community and environment. Also, solar panels installed on factories, warehouses or buildings will help reduce the heat from the sunlight that shines directly on the object. Thus, reducing the use of energy such as air conditioners or fans as well to make the environment more sustainable with the organization.

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.

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 manner.

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.

Moreover, the company and its subsidiaries has made a report of work accident statistics for the year 2018, which didn't cause any accidents from work within the organization in any cases, for example; first aid case, medial treatment case or lost work day case. Thus, the company has zero incident.

The company provides benefits to employees and families, such as social security, support in funding both in workmen's compensation and provident funds, and 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.

In 2018, the company has organized activities to promote good health in the organization, which is one of continuous quality improvement activities (CQI). Which encourages executives, employees, partners and customers to do sports or exercise activities together. To create both physical and mental health. To build relationship between organizations and partners and customers. Thus, the company organized exercised activities as a health benefit for employees within the organization.

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. By carries out the shipment under safety and in accordance with oil transportation standards.

For catering and service, the company has services with international standards and satisfied the needs of the customers in quality, cleanliness, hygiene, safety as well as integrity in service, with accordance to the quality policy and security policy health and environment of the company. Resulting in the company being accepted and trusted by customers. Moreover, the company received awards for safety, security, health and environment from customers as well. In 2018, the company provided catering services to two customers. With the service hours more than 68,400 man-hours with zero incident, such as; work accident, illness or food poisoning that occurs to employees who provide services or the customers' employees.

The company realized responsibility to the customers 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 based on the table presented. The results of the evaluation will be used to improve performance. Under the ISO 9001 quality

Assessment topic	1/2018	2/2018
Assessment rate	97.00%	100.00%
The ordering system	92.92%	93.29%
Standard of delivery	88.52%	90.52%
Standard of document system	91.58%	94.12%
Average satisfaction	91.00%	92.64%
Satisfaction in 2018	91.82%	

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. To carry out activities and create participation in such areas, in order to comply with the quality policy and social and environmental responsibility policy. Including, cultivating the promotion of social awareness environment and community always

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 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, with a policy to set the practice to reflect responsibility both economically society and environment. Which the company make a sustainability report in 2018. 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 proposed 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, which are related to the vision and mission.

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 is a standard that defines good practices of directors, executives and employees in conducting business under the framework of ethics, morality and integrity. By adhering to the duty and responsibility to all stakeholders in a fair and equitable manner. Summary of important details 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. Including, infringement of intellectual property and open a channel for complaints or clues about illegal activities done by directors, executives and employees. (Corresponds to Anti-corruption)
- Committees, managers and employees do 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)
- Treatment of employees in accordance with labor laws and regulations. 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 a sustainability reports in 2018. 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

Sea Oil Public Company Limited is a company in the Nathalin Group. Therefore, conducted activities with companies in the Nathalin Group to organize social activities, by focusing on the benefits to return to society, create educational foundation for national personnel in the future and maintain and conserve marine resources including other natural resources. Which the company has a clear social role by giving scholarships for students in various schools, Including giving scholarships to employees' kids. Which is a way of managers to returning the profit to society and continue to build the future.

Social Activities of Sea Oil Public Company Limited in 2018

- "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 and Khlong Samrong School to support children's day activities on January 12, 2018.
- "Scholarship Growth and Returned" by Sea Oil Public Company Limited together with Pla Salitkem Golf Club on June 17, 2018 at Wat Ban Na School (Phin Wittayakhom), Sriracha District, Chonburi Province. To give scholarships to students and students who lack funds to study.
- "Contribution to the fund of Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn Princess Maha Chakri Sirindhorn" by Sea Oil Public Company Limited on July 14, 2018, at the television station of Thailand, Khon Kaen province. In order to honor and recognize the grace of Her Royal Highness Princess Srinagarindra and to help underprivileged patients.
- "Giving scholarships and necessary supplies" by Sea Oil Public Company Limited together with Nathalin Group on November 10, 2018 at Rayong Panyanukul School, Banglang Subdistrict, Mueang District, Rayong Province. To support education for disabled children and create a future for underprivileged students
- "Supporting international academic conferences on logistics and supply chain management" by Sea Oil Public Company Limited donating money to support the international academic conference on 15-16 November 2018, organized Meeting in Okinawa, Japan. To support academics and researchers to disseminate the knowledge gained from their own research. Which leads to the application of research results to benefit the community and society.
- "Beach garbage cleansing" by Sea Oil Public Company Limited together with Nathalin Group on November 10, 2018 at Nam Rin Beach, Ban Chang District, Rayong Province, to conserve the beach environment and create cleanliness for the nearby community.

- “Releasing fishes” by Sea Oil Public Company Limited together with Prima Marine on December 18, 2018 at Haad Yao, Nuea Khlong District Krabi. With the objective of releasing fishes back to the sea to restore the balance.

Internal Control and Risk Management

Summary of opinions of the Audit Committee

In the Audit Committee meeting No. 1/2019 on February 26, 2019, 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. 1/2019 on February 26, 2019, 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 which are; 1) Control Environment 2) Risk Assessment 3) Control Activities 4) Information and Communication, and 5) Monitoring Activities.

The Board of Directors is of the opinion that the Company has an internal control and internal audit systems that is effective enough and suitable for current business, and can create reasonable confidence in the reliability of the consolidated and the company's financial statement Sea Oil Public Company Limited and its subsidiaries for the year 2018, showing the financial position performance and cash flow with correctness as it should be, in accordance with financial reporting standards.

Internal Control and Internal Audit

In the year 2018, 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 and its subsidiaries have continuously improved its operation system to better quality and suit with current business environment.

The Audit Committee reviewed and assessed the sufficiency of 2018 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 sufficiency 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.

The company has appointed an internal auditor. Which is an independent agency directly to the Audit Committee to review and evaluate the effectiveness of internal control according to the audit plan approved by the Audit Committee

Supervision of internal audit system The Audit Committee has considered the appointment of internal auditors of the Company by considering the independence of the operation. Quality of inspection work Professional knowledge Including considering and approving the internal audit plan by using risk assessment methods and internal control systems according to COSO standards

The Audit Committee has considered the internal audit results. In each quarter, as well as supervising and monitoring the improvement of the operation according to the recommendations of internal auditors on a quarterly basis.

The Company has established anti-corruption and corruption policies to be guidelines for the operation for directors, executives and employees of the company, in order to conduct business with transparency, fair, can be checked and have opened communication channels to receive complaints or suggestions from outsiders and employees. Moreover, the company has announced the intention of the Thai private sector collective action in anti-corruption. At

present, the risk of corruption of each process is reviewed by both the company and its subsidiaries and set preventive measures. In the Audit Committee Meeting No. 1/2018, on February 23, 2018, appointed P&L Internal Audit Company Limited as the main responsible person for the internal audit function for the year 2018. Which the Audit Committee has considered from the independence in the operation, experience and quality of inspection work professional knowledge. In addition, considering the internal audit plan of P&L Internal Audit Company Limited and deemed that it is appropriate for the internal audit work

The company's operations supervision department

The company has established the Compliance and Company Secretary Office by assigning the company secretary to report on result to the Nomination Remuneration and Corporate Governance Committee and to supervise the company, the board of directors, executives and employees. Perform duties in accordance with the annoucments, regulations of the Securities and Exchange Commission and Stock Exchange of Thailand and other laws related to the business of the company

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.

In 2018, the Audit Committee Has monitored risk management from the Risk Management Working Group every quarter, Including reporting from internal auditors and auditors about the various risks that have been detected during the course of duty and suggested to the management to procure measures to reduce various risks to the acceptable level, Including assigning the quality assurance department Monitor compliance with anti-corruption policy and submit to the Audit Committee every quarter.

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. (Details appear in the topic "Risk Factors")

Related Party Transactions

In 2018, 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, 2018	Necessity and appropriateness for related transactions
1. Nathalin Co., Ltd. ("Nathalin"), engaging in marine petroleum transportation business	<ul style="list-style-type: none"> - Being SEOIL's major shareholder holding 45.04% 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 - SEOIL has rented a space of 406.83 sq.m. on Fl. 6, Nathalin Building B, for use as its office. The lease term is 3 years, which commenced from June 1, 2017 to May 31, 2020 by 167,667.50 per month.	3.62	<ul style="list-style-type: none"> - The Company pays rent and service fees to Nathalin group. At the agreed rental rate, the rate is the same as that applied to the Nathalin group and outsiders. This is comparable to the rental rates in the vicinity. - The transaction is reasonable because the rental rates and agreed terms are reasonable.
		- Container Costs of Nathalin group. - 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 and renew the contract to December 31, 2019.	0.14	<ul style="list-style-type: none"> - The transaction is reasonable because the rental rates and agreed terms are reasonable.
		Van rental - Van rental from Nathalin group - Van rental from Nathalin group by Sea Oil Petrochemical Co., Ltd.	0.01 0.02	<ul style="list-style-type: none"> - The transaction is reasonable because the rental rates and agreed terms are reasonable.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
		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	- The transaction is reasonable because the rental rates and agreed terms are reasonable.
		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 January 1 to December 31, 2017.	0.37	- The company pays a lunch fee for employee benefits at the normal rate based on the market price. - The transaction is reasonable because there are no restaurants located in the same area as the company's office. This will allow employees not to go out for lunch.
Nathalin Co., Ltd. (Cont.)	- The Company is a major shareholder of Living Energy Company Limited ("LIV") holding 99.99% of issued and paid-up capital. Seaoil holds 45.04% of the issued and 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	- The company pays a lunch fee for employee benefits at the normal rate based on the market price. - The transaction is reasonable because there are no restaurants located in the same area as the company's office. This will allow employees not to go out for lunch.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
		- Fitness membership Fee. LIV expenses paid to Nathalin group at the rate of Baht 1,085 per person per month. Terms of service apply from 1 January 2017 to 31 December.	0.57	- The transaction benefits employees of the company. The prices are similar to other fitness nearby.
		Legal consultant - 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.	0.03 0.01	- The transaction is reasonable. The rates and conditions are agreed upon at a reasonable rate compared with the rates of other laws. - The transaction is reasonable. The rates and conditions are agreed upon at a reasonable rate.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
Nathalin Co., Ltd. (Cont.)		IT management fee - The Company paid the management fee for Nathalin group, the contract started from August 1, 2017 until the end of the 3-year contract, with a monthly MIS fee of Baht 5,340 per person. At present, the fee of Baht 103,690.86 per month or Baht 3,142.15 per person and an ERP program fee of Baht 3,938 per person or Baht 129,954.00 per month, all fee Baht 233,644.86 per month. There are conditions to increase the service fee according to the number of people increasing each year.	3.02	<ul style="list-style-type: none"> - The Company hired Nathalin to handle the IT issues, because the company main operating systems are ERP program and Microsoft Dynamics AX. Which the system was developed to be used for shipping business. - The transaction was necessary and reasonable.
		Human resource management fee - The company paid the management fee to the Nathalin group. The service monthly fee is Baht 3,000 per person. The contract started August 1, 2017 to Dec 31, 2017, and extend the contract to March 31, 2018. At present, the company receives discounts from service fees from Baht 3,000 per person to Baht 2,385.98 per person. Which the contract started from April 1, 2018 to March 31, 2019.	1.32	<ul style="list-style-type: none"> - The company hired personnel management, Since the company considers the cost of hiring employees to take care of personnel and see that Nathalin has more expertise in personnel management and has a lower wage rate if the company hires personnel to take care of this task. - The transaction is reasonable because the rental rates and agreed terms are reasonable.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
Nathalin Co., Ltd. (Cont.)		Property Tax - 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%.	0.19	- The Company pays rent and service fees to Nathalin group. The rate is the same rate as that applied to other Nathalin group and outsiders, comparable to the rental rates in the vicinity. - The transaction is reasonable because the rental rates and agreed terms are reasonable.
		Interest paid - A loan of Baht 300 million, bearing interest at the rate of 5% yearly, has a term of 2 years and is due on August 31, 2019. (MLR-1.25 at the date of the loan agreement)	4.86	- The transaction is reasonable. Interest is charged at the market rate.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
Nathalin Co., Ltd. (Cont.)	<p>The Company is a major shareholder of Living Energy Company Limited ("LIV"), representing 99.99% and LIV holds shares in subsidiaries as follows:</p> <p>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>	<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., 0.06</p> <p>Sunlink Power Co., Ltd., 0.01</p> <p>Solar Town Co., Ltd., 0.07</p> <p>Sky Solar Roof Co., Ltd., 0.07</p> <p>Sky Solar Power Co., Ltd., 0.08</p> <p>NW Solar Co., Ltd., 0.06</p> <p>NW Green Power Co., Ltd. 0.18</p> <p>NW Energy Co., Ltd. 0.07</p>		- The transaction is reasonable because the rental rates and agreed terms are reasonable.
		<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>	0.17	- The transaction is reasonable and condition is accordance with the agreement.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
Nathalin Co., Ltd. (Cont.)		Other current assets - 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.	0.16	- The transaction is the rental payment for the building under lease agreement. If the Company is not liable and / or any debts owed. The Company will receive a rental guarantee when the lease expires. - The transaction is reasonable
		Accrued Management Fee - Accrued expenses include electricity, management fees, information and management fees paid to Nathalin group.	0.46	- Payment deadline is not the same as the end of the accounting period. The company must pay within the 10th of every month, which is in accordance with the terms of the agreement. - The transaction is reasonable and condition is accordance with the agreement.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
Nathalin Co., Ltd. (Cont.)		Trade account payables - The Company has entered into long-term loan agreements with financial institutions 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.	0.01 0.01 0.01 0.01 0.01 0.01 0.01	- The transaction is reasonable and condition is accordance with the agreement.
		Trade account payables - 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	0.03	- The transaction is reasonable and condition is accordance with the agreement.
		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)	50.00	- The transaction is reasonable. Interest is charged at the market rate.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
Nathalin Co., Ltd. (Cont.)		Trade payables - From contracting the roof to place equipment and solar panels by Sunlink Power Company Limited	0.01	- The transaction is reasonable and condition is accordance with the agreement.
		Other non-current liabilities - From the adjustment of the account from the roof rental contract Recognized by straight line method throughout the lease term by Sunlink Power Company Limited	0.06	- The transaction is an accounting adjustment. Perception Expenses from operating leases, by the straight line method throughout the lease term And according to the accounting standard No. 17 on the lease agreement
2. N.T.L. Marine Co., Ltd. engaging in marine petroleum transportation business	- Held by Prima Marine Public Company Limited ("Prima") 99.99% of the issued and paid-up capital. Which Prima has a common major shareholder, Nathalin, holds 99.99% of the issued and paid-up capital of Prima And holding 45.04% of the issued and paid-up capital of the company	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.	199.29	- The sale of goods is the normal business practice of the Company, with the sale price and trading conditions as well as the sale of goods to other customers.
		- 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.	28.74	- The sale of goods is the normal business practice of the Company, with the sale price and trading conditions as well as the sale of goods to other customers.
		- 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 Petroleum PTE.	2.00	- The sale of goods is the normal business practice of the Company, with the sale price and trading conditions as well as the sale of goods to other customers.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
		Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days - Sale of fuel and lubricant products with a credit term of 30 days by Sea oil Offshore Ltd.	27.37 3.15	- The transaction is reasonable because it is a normal transaction. The pricing and terms of trade is based on commercial terms. - The transaction is reasonable because it is a normal transaction. The pricing and terms of trade is based on commercial terms.
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 45.04% of SEA OIL's issued and paid-up capital and holds an aggregate of 54.20% of PRM.'s issued and paid-up capital - Having two mutual directors, Mr. Suraphon Meesathien Mr. Prompong Chaisrisawatsuk	Revenue from sale of goods - SEA OIL sold fuel and lubricant products to PRM with prices determined by the cost plus pricing method. - SEA OIL sold fuel and lubricant products to PRM with prices determined by the cost plus pricing method by Sea Oil Petroleum PTE Ltd. - SEA OIL sold fuel and lubricant products to PRM with prices determined by the cost plus pricing method by Sea Oil Offshore Ltd.	13.60 7.98 0.27	- The sale of goods is the normal business practice of the Company, with the sale price and trading conditions as well as the sale of goods to other customers. - The transaction is reasonable because it is a normal transaction. The pricing and terms of trade is based on commercial terms. - The transaction is reasonable because it is a normal transaction. The pricing and terms of trade is based on commercial terms.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
Prima Marine PCL. (Cont.)		<p>Revenue from service</p> <ul style="list-style-type: none"> - 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. <p>Trade accounts receivable</p> <ul style="list-style-type: none"> - Sale of fuel and lubricant products with a credit term of 30 days. - From catering and service with a credit term of 30 days from the date of the invoice. 	<p>36.28</p> <p>1.81</p> <p>0.61</p>	<ul style="list-style-type: none"> - Catering and Service is in accordance with the agreement that charge per person per day at the rate agreed in the contract. When the cost of services is deducted, the Company still profit from this business. - The transaction is reasonable. With the service rate and conditions as agreed by the contract - The transaction is reasonable. With the service rate and conditions as agreed by the contract
4. Speed Production Co., Ltd. engaging in all type of entertainment	1. 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.	0.06	<ul style="list-style-type: none"> - Cost of designed and multimedia is comparable with the rate of other service provider and this cost rate is lower than others also their office is near the company to convenience.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
5. BSC Management Co., Ltd. (Former name "BSC Management Recruitment Co., Ltd.") Engaging in Others Employment, placement agency	- PRM holds 99.99% of the issued and paid-up share capital. Nathalin holds 54.20% of PRM that is issued and paid-up share capital and hold 45.04% of SEA OIL's issued and paid-up capital.	- Cost of domestic airplane ticket by Sea Oil Petroleum PTE Ltd.	0.16	- When comparing prices with other dealers at the same rate, BSC has given credit to the company for 7 days, others had to pay in cash. - The transaction is reasonable. And have the conditions agreed upon at a reasonable rate
		Trade payables - Caused by using the service Manage staff of BSC crew, with credit term equal to 30 days by Sea Oil Petroleum PTE Ltd.	0.15	- The company hired personnel management Because BSC has more expertise in the management of staff, crew members and has a lower wage rate if the company hires its own personnel to take care of this work
		Management fee - The service fee is 3,000 baht per ship per ship. Contract starts November 24, 2017 until the end of the contract	0.34	- The transaction is reasonable. With appropriate wage and transaction conditions

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
6. United Offshore Aviation Co., Ltd. Engaging in Air Transportation	- Having a mutual shareholder, i.e. Nathalin, which holds 45.04% of SEAOIL'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 - SEAOIL sold Jet A1 products to United Offshore Aviation Co., Ltd., with prices determined by the cost plus pricing method.	6.02	- The sale of goods is the normal business practice of the Company, with the sale price and trading conditions as well as the sale of goods to other customers.
		Trade account receivable - Sale of Jet A1 product with a credit term of 30 days	0.60	- The transaction is reasonable because it is a normal transaction. The pricing and terms of trade is based on commercial terms
7. 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 54.20% of PRM that is issued and paid-up share capital and hold 45.04% of SEAOIL's issued and paid-up capital.	Revenue from sale of goods - SEAOIL sold fuel and lubricant products to Thai Marine Tanker Co., Ltd. with prices determined by the cost plus pricing method.	2.99	- The sale of goods is the normal business practice of the Company, with the sale price and trading conditions as well as the sale of goods to other customers.
		- SEAOIL 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.	13.89	- The sale of goods is the normal business practice of the Company, with the sale price and trading conditions as well as the sale of goods to other customers.

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
Thai Marine Tanker Co., Ltd. (Cont.)		Trade account receivable - Sale of fuel and lubricant products with a credit term of 30 days by Sea oil offshore Ltd.	1.05	- The transaction is reasonable because it is a normal transaction. The pricing and terms of trade is based on commercial terms

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
8. Siam Global House PLC. ("Global") engaging in Wholesale of other Construction Materials	<p>- Having mutual director i.e. Mr. Apisit Rujikeatkamjorn</p> <p>- SEAOIL is a major shareholder of Living Energy Co., Ltd., holds 99.99%. LIV has the subsidiaries: Sunny Solar Co., Ltd., (99.99%) Sunlink Power Co., Ltd., (99.99%) Solar Town Co., Ltd., (99.99%) Sky Solar Roof Co., Ltd., (99.99%) Sky Solar Power Co., Ltd., (99.99%) NW Solar Co., Ltd., (99.99%) NW Green Power Co., Ltd. (99.99%) NW Energy Co., Ltd. (99.99%)</p>	<p>Trade payables</p> <p>- Renting a roof to install solar panel with a credit term of 30 days by Sky Solar Roof Co., Ltd., Sky Solar Power Co., Ltd., NW Green Power Co., Ltd. NW Solar Co., Ltd., Sunny Solar Co., Ltd., Solar Town Co., Ltd.,</p> <p>Other non-current debts</p> <p>- From the adjustment of the account from the roof rental contract Recognized by the straight line method throughout the lease term by Sky Solar Roof Co., Ltd., Sky Solar Power Co., Ltd., NW Green Power Co., Ltd. NW Solar Co., Ltd., Sunny Solar Co., Ltd., Solar Town Co., Ltd.,</p>	<p>0.11 0.11 0.11 0.09 0.09 0.11 0.50 0.49 0.49 0.40 0.40 0.51</p>	<p>- The transaction is reasonable and condition is accordance with the agreement.</p> <p>- Transaction is an accounting update. Perception Expenses from operating leases, by the straight line method throughout the lease term And according to the accounting standard No. 17 on the lease agreement</p>

Parties with Conflict of Interest	Relationship	Type of Transaction	Transaction Value (Baht Million) Ended Dec 31, 2018	Necessity and appropriateness for related transactions
Siam Global House PLC. (Cont.)		Roof rental - Renting a roof for solar panel installation is a long-term contract. The maximum capacity of 1 MW is 100,000 baht per month by Sky Solar Roof Co., Ltd., Sky Solar Power Co., Ltd., NW Green Power Co., Ltd. Solar Town Co., Ltd.,	 1.33 1.33 1.33 1.33	- The transaction is reasonable and condition is accordance with the agreement.
		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., Sunny Solar Co., Ltd.,	 1.06 1.06	- The transaction is reasonable and condition is accordance with the agreement.

Policy on related transactions

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

Measurement or approval process of related transactions

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

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

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 me 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.

Report of the Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for financial statement and the financial report of Sea Oil Public Company Limited ("The Company") and its subsidiaries which has been prepared in according to appropriate accounting policy, consistency practices, and in conformity with the Financial Reporting Standards of Thailand. Significant information was sufficiently disclosed as notes in financial statement and have been audited by the Certified Auditor of Price Water house Coopers ABAS Limited and expressed an unqualified opinion in the auditor's report and disclosed in the annual report.

The Board of Directors has also adopted and maintained an appropriate of risk management, internal control system and compliance to ensure that the reliability and completeness of financial statement also ability to protect the Company's assets in order to prevent fraud or materially irregular operation including complied with the relevant laws and regulations.

The Board of Directors has appointed the Audit Committee which comprised of 3 Independent Directors to ensure accuracy and adequacy of the Financial reports, review the internal control system and internal audit that its efficiency and effectiveness. The opinion of the Audit Committee has been disclosed in the Company's annual report.

The Board of Directors assured that overall internal control system of the Company is sufficient and appropriate to reasonably accredit of the financial statement of Sea Oil Public Company Limited and its subsidiaries for the year ended December 31, 2018 which represented financial position, result of operations and cash flow in accordance with the Financial Reporting Standards of Thailand.



Mr. Apisit Rujikeatkamjorn,
Chairman of the board



Miss Niracha Panboonhom
Chief Executive Officer

The Audit Committee Report

The Audit Committee of Sea Oil Public Company consists of 3 Independent Directors who have expertise and experience in accounting, law and administrative and 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 2018, 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. Tewee Soontornsingha	Audit Committee	attendances 6 out of 6
3.	Dr. Chalermwit Chimtragoon	Audit Committee	attendances 6 out of 6

Which 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 2018 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 2018 of the Company was duly prepared in all material 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 Price water house Cooper 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 2018, the Audit Committee reviewed the compliance with the Anti-Corruption Policy. Both in the review of risks from the work process that may cause corruption Both of the company And subsidiaries And find control measures Providing a monitoring and reporting system for policy compliance Training and education for employees As well as the revision of authorization tables in various expenses categories In order to comply with the anti-corruption policy Including the company Has improved the governance policy and business ethics to have clear guidelines The Audit Committee is of the opinion that The company has adequate internal control measures and systems to combat and detect corruption.

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 and its subsidiaries commit 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

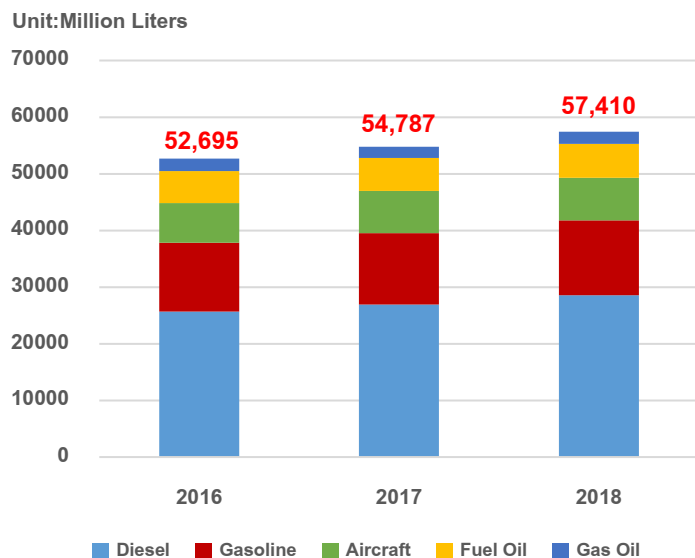
Executive Summary

The overall Thai economy in 2018 increased by 4.1%, slightly expanded from the previous year. Which is mainly driven by private consumption and investment by both public and private sectors. Total product export value increased slightly from the previous year. Expansion of export value, mainly due to the export to major trading partners, especially the United States and China, in line with the direction of the economic growth of trading partners and world trade volume. Expansion of export value groups such as sugar, petroleum products, petrochemicals, etc.

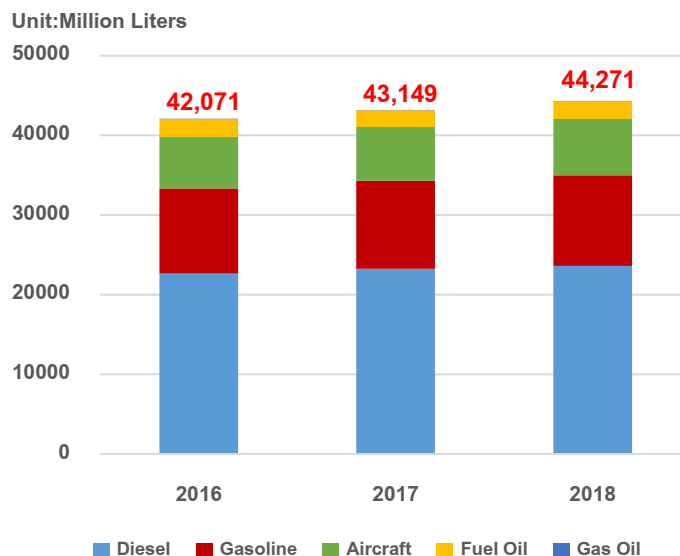
Moreover, The Office of the National Economic and Social Development Council expects that Thai economy in 2019 will expand. With strong support from continuous economic growth, public and private investment, changes in the direction of trade, production and international investment. To reduce the impact of the global economic slowdown.

The crude oil price in the world market has increased from the previous year, but still fluctuating from the risk factors of oversupply from non-OPEC producers. The fluctuating oil prices may affect the revenue from the sale of fuel of the company. Which is the main income of the business. However, it does not affect the operating profit, because the company has established a strategy to manage the risk of oil price fluctuations. By determining the selling price from cost plus pricing method and because the company is an oil trader under Section 10, therefore no oil reserves are kept, causing not being affected by the decline in value of inventories. However, domestic energy demand continues to rise continuously. Based on the overall production and sales volume of fuel in the country 2016-2018, as shown in the graph below (Source: Department of Energy Business)

The amount of oil production in the country



Domestic fuel sales volume



The company also believes that demand of fuel and the overall electricity is still continuously increasing In line with the expansion of both domestic and international economies, the expansion of the petroleum exploration and production industry from the opening of a new concession auction at the end of 2018. Including the transportation industry and other manufacturing industries that increase consistent with the growth rate of the Thai economy and neighboring countries. As a result, in the demand of petroleum and electricity will increase. Which are the factors supporting the growth of company's business and its subsidiaries in the future

2018 Operating Performance Overview

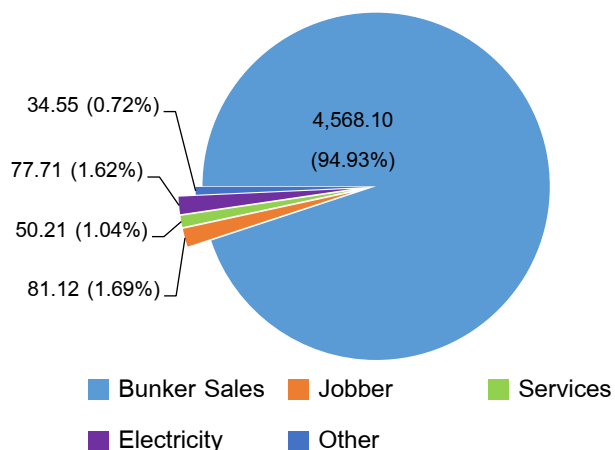
Income Statement	Consolidated	
(Unit : Million Baht)	2017	2018
Total Income	3,827.35	4,811.69
Revenue from Sales of Goods and Services	3,816.02	4,777.14
Gross Profit	218.65	237.62
Earnings Before Interest, TAX, Depreciation, Amortization (EBITDA)	(22.35)	87.83
Net Profit (loss)	(106.28)	5.85
Net Profit (loss) for the Company	(104.55)	(0.75)
Earnings per Share (Baht)	(0.1962)	(0.0014)

The Company and its subsidiaries had total revenues of 4,811.69 million baht with total sales and service income of 4,777.14 million baht, gross profit of 237.62 million baht, profit before interest, income tax, depreciation and amortization (EBITDA) 87.83 million baht. Net profit for the year 2018, a total of 5.85 million baht, net loss attributable to the parent company is equal to (0.75) million baht.

In 2018, the Company and its subsidiaries had net profit of 5.85 million baht, an increase of 112.13 million baht or an increase of 105.50%. Which is mainly caused by the company and its subsidiaries has gross profit of 237.62 million baht, an increase of 18.97 million baht or an increase of 8.68% compared to the previous year. Mainly due to the operating profit in the business of bunkering and lubricants trading. Revenue from sales of fuel and lubricants totaled 4,649.22 million baht, an increase of 1,079.38 million baht or 30.27% compared to the previous year. Mainly due to the increase in oil sales volume from foreign customers and offshore customers. The recognition of profit sharing from joint ventures in Pan Orient Energy (Siam) Limited ("POES") amount of 2.71 million baht which is the petroleum exploration and production business in Thailand. The subsidiary (Sea Oil Energy Ltd.) holds 49.99% of the shares. The mentioned profit come from increasing POES revenue, due to the increasing in crude oil price in the world market and higher production volume, including other income of 34.55 million baht, an increase of 205% from the previous year. Due to receiving the compensation from insurance claim of Sea Oil Petrochemical Company Limited, which is a subsidiary of the company.

Revenue Structure of 2018

(Unit: Million Baht)



2018 Revenue Structure of the Company and Subsidiaries

In 2018, the Company and its subsidiaries had a total income of 4,811.69 million baht consisting of fuel sales of 4,649.22 million baht or 97.32% of total revenue, supply management service income of 50.21 million baht, equivalent to 1.05% of total revenue, revenue from sales of electricity and equipment income of 77.71 million baht or 1.63% of the total revenue and other income of 34.55 million baht or 0.72% of total revenue.

The Company and its subsidiaries had revenue from sales and services total of 4,777.14 million baht, consisting of:

Revenue from oil trading of the company and its subsidiaries in 2018 amount of 4,649.22 million baht, an increase of 30.24% from 2017, which was due to the increase of marine oil business from offshore customers, and foreign customers. Which results of increase in the total sales volume of the company.

Revenue from providing services in the supply management business in 2018 amount of 50.21 million baht, decreased from the year 2017 by 52.49%, mainly due to the termination of the service agreement with the customers.

Revenue from the distribution power and equipment in the amount of 77.71 million baht, decreased from 44.69% in 2017 due to the impact of climate. Resulting in limited hours of sunshine that will be used to generate electricity.

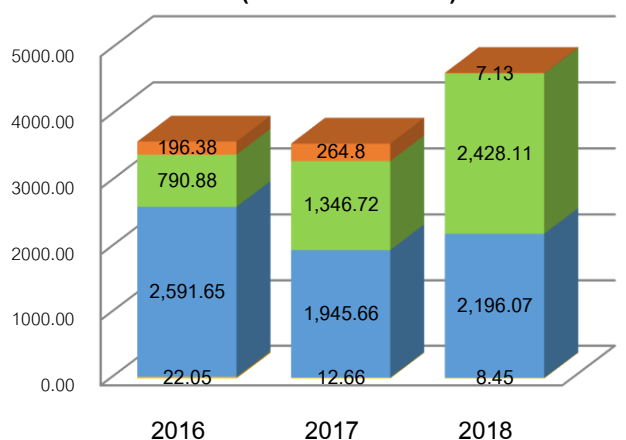
Revenue from Oil Trading (Unit: Million Baht)	2017		2018	
	Amount	%	Amount	%
Marine sales	3,507.00	98.24	4,568.10	98.26
▪ Domestic	827.85	23.19	1,068.02	22.97
▪ International	2,679.15	75.05	3,500.08	75.29
Jobber	62.84	1.76	81.12	1.74
Total	3,569.84	100.00	4,649.22	100.00

The Company and its subsidiaries had revenue from trading of fuel and lubricants in 2018, a total of 4,649.22 million baht divided by distribution channels as follows:

- Revenue from marine oil trading in 2018 amount of 4,568.10 million baht, equivalent to 98.26% of total oil trading revenue. When compared to the previous year, an increase of 30.26%, mainly due to the trading of marine oil to offshore customers and foreign customers
- Revenue from the trading of inshore oil in 2018 amount of 81.12 million baht, equivalent to 1.74% of total oil trading revenue. When compared to the previous year, an increase of 29.09%, mainly caused by customers in the domestic transportation industry.

Revenue from Oil trading in 2016 - 2018

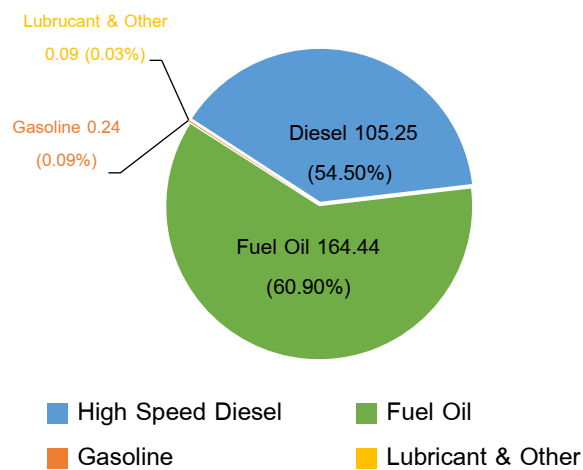
(Unit: Million Baht)



■ Lubricant & Other ■ High Speed Diesel
■ Fuel Oil ■ Gasoline

Fuel & Lubricant Sale Volume in 2018

(Unit: Million Litre)



■ High Speed Diesel ■ Fuel Oil
■ Gasoline ■ Lubricant & Other

Revenue from oil trading by products

In 2018, The Company has revenue from the sales of high-speed diesel of 2,196.07 million baht or 47.33% of the total sales revenue. The sales volume of high-speed diesel oil in the year 2018 in the amount of 105.25 million liters, mainly due to the sale of marine oil to foreign customers and Offshore group.

Revenue from the sale of fuel oil in 2018 amount of 2,428.11 million baht or 52.33% of the total sales revenue. The volume of fuel oil sales in 2018, amount of 164.44 million liters, caused by marine oil sales to foreign customers and main shipping vessel

Revenue from the sale of gasoline in 2018 amount of 7.13 million baht or 0.15% of the total sales revenue. The amount of 0.24 million liters of gasoline sold in 2018 was caused by marine oil sales to foreign customers.

Revenue from Supply Management

The company has income from providing services in the catering business, raw materials and other services for employees in the oil and gas drilling both on shore and off shore (Supply Management), consisting of revenue from providing food, cleaning and laundry services for oil and gas drilling employees in the Gulf of Thailand, on board and onshore oil and gas drilling (Catering and Housekeeping Service)

In 2018, the company had revenue from providing services in the Supply Management business, total of 50.21 million baht, equivalent to 1.04% of the company's total revenue. Which decreased from the year 2017 by 52.49% due to the termination of the service agreement with the customers and the impact of the economic conditions, fluctuated oil prices, customers in the petroleum exploration and production industry slowly decrease in production and stop production in some projects. Causing the activity in the Gulf of Thailand to decrease, affecting the revenue of the Supply Management business as well.

Cost of Sales and Services and Gross Profit

Cost of sales consists of costs from oil sales, costs from the production and distribution of electricity from solar energy and selling solar panels. The service cost come from the cost of the business of Supply Management.

In 2018, the company and subsidiaries had the cost of selling fuel, lubricant and the cost of producing and selling electricity from solar energy and selling solar panels equal to 4,501.26 million baht or 95.23% of the revenue from oil sales and selling electricity from solar energy and solar panels. Resulting in the Company and its subsidiaries having gross profit from selling oil and selling electricity from solar energy and solar panels in 2018, equal to 225.67 million baht, increased from the year 2017, amount of 17.63 million baht, or an increase of 8.47%, increased gross profit Mostly due to the business of selling marine oil from Offshore customers both in domestic and international distribution power.

In 2018, the Company and its subsidiaries had gross profit margin of oil sales and the distribution of electricity from solar energy and solar panels in total is 4.77%, lower than the 2017 gross margin, equivalent to 5.61% due to higher competition in both domestic and international oil markets. Thus, requiring a price reduction in order to maintain the existing customer base and increase the number of new customers.

The Company's cost of services of Supply Management in 2018 of 38.26 million baht, 76.20% of the total revenue from services. As a result, the Company has gross profit from services in 2018 of 11.95 million baht, increased from 2017 of 12.63%.

The company has a gross profit margin from providing services in the Supply Management business in 2018, equivalent to 23.80%, increased from 2017 with gross profit margin of 10.04% due to the management restructuring of 2018. The company provided catering and housekeeping services to customers directly, not through subcontractors. Enabling more efficient cost management.

Total gross profit of the company and its subsidiaries in 2018, equal to 237.62 million baht, an increase of 8.68% from 2017.

Sales and Administrative expenses

The Company and its subsidiaries sales and administrative expenses were 210.92 million baht, an increase of 2.58% compared to the previous year. Caused by marketing fees and increased expenses related to business expansion in overseas, in line with the increase in oil trading revenue.

Financial Costs

In 2018, the company and its subsidiaries had financial cost of 57.67 million baht, a decrease of 6.43 million baht or 10.03% compared to the previous year. Reduced financial costs due to lower interest expenses from debentures.

Profit (Loss) from Exchange Rate

In 2018, the company and its subsidiaries had net gain from exchange rate of 2.82 million baht mainly from adjustment of unrealized exchange rate at year end.

Corporate Income Tax

In 2018, the Company and its subsidiaries had income tax amount of 3.26 million baht. Increase from 2017, in amount of 3.54 million baht. Which is due to the increase of subsidiaries' profit.

Financial Position

Statement of Financial Position (Unit: Million Baht)	The Company		Consolidated	
	2017	2018	2017	2018
Total Assets	2,407.09	2,453.50	2,604.86	2,744.30
Total Liabilities	723.13	829.89	1,251.56	1,389.91
Total Shareholders' Equity	1,683.96	1,623.61	1,353.30	1,354.39
Registered Capital	691.87	691.87	671.87	691.87
Issued and Paid-up Share Capital	553.54	553.56	553.54	553.56

Assets

As of December 31, 2018, the Company and its subsidiaries had total assets of 2,744.30 million baht, an increase of 139.44 million baht or equivalent to 5.35% from 2017. Caused by current assets increased by 49.58 million baht or 7.10% increase. Non-current assets increased by 89.86 million baht or 4.71% increase.

(1) Current assets

As of December 31, 2018, the Company and its subsidiaries had the current assets of 747.56 million baht, increased 7.10% from the previous year mainly due to the increasing in accounts receivable and other customers.

Cash and cash equivalents

As of December 31, 2018, the Company and its subsidiaries had Cash and cash equivalents of 133.87 million baht, decreased 22.13% from the previous year due to the decrease in cash flow from investment in improving condensate splitter business.

Trade and Other receivables

As of December 31, 2018, the Company and its subsidiaries had trade receivables and other receivables, net of 569.66 million baht, increased 24.62% from the end of 2017 due to higher sales. However, the trade receivable as of December 31, 2018 are mainly from undue debts and overdue not over 3 months.

(2) Non-current assets

As of December 31, 2018, the Company and its subsidiaries had non-current assets of 1,996.74 million baht increased 4.71% from the previous year, mainly due to increasing in property, plant and equipment net from the increase in assets under construction from the condensate splitter plant has been upgraded for the operation, investment in a joint venture and other non-current assets.

As of December 31, 2018, Investment in a joint venture amount of 1,268.40 million baht, which come from the subsidiary (Sea Oil Energy Ltd.) acquired shares of Pan Orient Energy (Siam) Limited ("POES") in amount 9,863 shares or 49.99% of issued and paid up share capital of POES. POES operated in Exploration and Production of petroleum in Thailand, concession of petroleum hole L53 / 48 at Nakhon Pathom province. In 2018, the company had share of profit amount of 2.71 million baht. As of the end of 2018, the company tested the impairment of investments in joint ventures. By using the estimated cash flow that is expected to receive throughout the petroleum concession period. Found that the total value of the present value from the calculation of the expected value of the return on investment in the joint venture is greater than the book value of 646.53 million baht. Thus, in 2018, the company had no record of impairment of such investment.

As of December 31, 2018, the company and its subsidiaries had other non-current assets in amount of 41.14 million baht, increased 66.82% from previous year. Mainly due to the increasing of refundable valued-added-tax (VAT) of subsidiaries, which is currently awaiting examination from the Revenue Department.

Liabilities

As of December 31, 2018, the Company and its subsidiaries had total liabilities of 1,389.91 million baht, increased of 138.35 million baht from the end of 2017. Consisting of current liabilities increased from the previous year by 42.97 million baht, mainly due to the increase in loans from financial institutions and related parties and increased trade accounts payable, non-current liabilities increased by 95.37 million baht from the previous year, mainly due to the issuance of debentures.

Shareholders' equity

As at December 31, 2018, the shareholders' equity of the Company and its subsidiaries equal to 1,354.39 million baht, Equity attributable to owners of the parent of 1,346.65 million baht and non-controlling interests amount of 7.74 million baht. Total shareholders' equity increased 1.09 million baht from the previous year. The reasons are as follows:

- (1) The Company has the intention to exercise the warrants of SEAOL-W for 0.02 million ordinary shares at the offering price of 3 baht per share totaling of 0.06 million baht.
- (2) The Company recognized total comprehensive income amount of 1.03 million baht in 2018.

Cash Flow

Statement of Cash Flows For the year ended 31 December 2018 (Unit : Million baht)	The Company		Consolidated	
	2017	2018	2017	2018
Net cash generated from (used in) operating activities	(6.36)	(23.05)	123.94	15.34
Net cash generated from (used in) investing activities.	(93.03)	(70.90)	(268.49)	(91.88)
Net cash generated from (used in) financing activities.	27.58	50.03	47.76	50.08
Net increase(decrease) in cash and cash equivalents	(71.81)	(43.92)	(96.79)	(26.46)
Cash and cash equivalents at the beginning of the year	138.04	62.64	259.69	171.91
Exchange gains (losses) on cash and cash equivalents	(3.59)	(0.03)	9.01	(11.58)
Cash and cash equivalents at the end of the year	62.64	18.69	171.91	133.87

Net cash generated from (used in) operating activities

In 2018, the Company and its subsidiaries had net cash from operating activities in the amount of 15.34 million baht, decreased from 2017. Mainly due to the increasing in trade receivable and other current liabilities, including paying income tax.

Net cash generated from (used in) investing activities.

In 2018, the Company and its subsidiaries had net cash used in investing activities amount of (91.88) million baht. Mainly due to the investment in the purchase of assets and the improvement of the Condensate Splitter of the subsidiary.

Net cash generated from (used in) financing activities.

In 2018, the Company and its subsidiaries had net cash from financing activities of 50.08 million baht. Mainly due to insurance from financial institutions and the issuance of debentures.

From the cash flow used from the above activities, the Company and its subsidiaries have net decrease in cash and cash equivalents (26.46) million baht from the end of 2017, resulting in the Company and its subsidiaries having cash and cash equivalents as of 31 December 2018 equal to 133.87 million baht.

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, due to the global economic and oil price still fluctuate from several factors, for example; 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 31 st December			Consolidated as of 31 st December		
	2016	2017	2018	2016	2017	2018
Current Ratio (times)	0.64	1.24	0.94	0.66	0.95	0.96
Quick Ratio (times)	0.31	0.61	0.50	0.65	0.85	0.90
Turnover Ratio (times)	5.43	6.26	7.17	8.62	7.98	9.48
Average Collection Period (days)	66.31	57.48	50.22	41.74	45.12	37.96
Gross Profit Margin (%)	12.36	8.12	6.82	8.18	5.73	4.97
Operating Profit Margin (%)	4.71	(1.65)	(2.28)	2.97	0.34	0.56
Net Profit Margin (%)	4.45	(3.47)	(4.94)	(0.12)	(2.79)	0.12
Return on Equity (%)	5.12	(2.33)	(3.65)	(2.16)	(8.37)	(0.06)
Return on Asset (%)	2.79	(1.47)	(2.49)	(0.19)	(3.97)	0.22
Debt to Equity Ratio (times)	0.77	0.43	0.51	1.18	0.92	1.03
Net Debt to Equity Ratio (times)	0.75	0.42	0.49	1.03	0.77	0.85
Interest Coverage Ratio (times)	4.27	(0.11)	(0.50)	0.44	1.93	0.27

Financial Ratio Formula

Current Ratio (times)	=	Current assets / Current liabilities
Quick Ratio (times)	=	(Cash, Bank Deposits + Marketable Securities + Accounts Receivable and Notes - Inventories) / Current liabilities
Turnover Ratio (times)	=	Net sales / (Accounts receivable before doubtful debts + Trade Notes) (Average)
Average Collection Period (days)	=	360 / Turnover Ratio
Gross Profit Margin (%)	=	Gross Profit / Net sales and services
Operating Profit Margin (%)	=	Operating Profit / Net sales and service
Net Profit Margin (%)	=	Net profit / Total Revenue
Return on Equity (%)	=	Net Income / Average Stockholders' Equity
Return on Asset (%)	=	Net Income / Average Total Assets

Debt to Equity Ratio (times)	=	Total liabilities / Shareholder's equity
Net Debt to Equity Ratio (times)	=	(Total liabilities – Trade payable) / Shareholder's equity
Interest Coverage Ratio (times)	=	Cash Flow from Operations + Interest Paid from Operations + Tax / Interest expenses from operation and investment

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 2018, 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 2018;
- 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 2018, the Group has an investment in a company classified as joint venture. It is presented in the consolidated financial statements at Baht 1,268.40 million representing 46.22% of total assets. The joint venture operates in exploration, development and the production of petroleum and natural gas. The joint venture is 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, tests 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 is 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 inquired 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. • used my firm's valuation expert to evaluate the discount rates applied in the cash flows model. • 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
26 February 2019

Sea Oil Public Company Limited
Statement of Financial Position
As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	133,874,576	171,906,380	18,692,385	62,636,012
Trade and other receivables, net	8	569,655,316	457,123,947	194,395,928	191,167,130
Short-term loans to subsidiaries	28.4	-	-	172,823,277	259,390,530
Inventories	9	25,838,010	37,598,677	4,294,998	917,039
Other current assets		18,185,577	31,341,063	9,659,950	3,412,343
Total current assets		747,553,479	697,970,067	399,866,538	517,523,054
Non-current assets					
Restricted deposits at financial institutions	15.2.1	2,592,230	4,069,904	-	-
Investments in subsidiaries	10.1	-	-	558,106,650	370,432,920
Investment in a joint venture	10.2	1,268,396,862	1,265,688,243	-	-
Long-term loans to a subsidiary	28.4	-	-	1,387,880,000	1,387,880,000
Interest receivable from a subsidiary	28.3, 28.4	-	-	99,139,637	99,139,637
Property, plant and equipment, net	11	673,570,316	600,952,697	2,671,226	1,233,045
Intangible assets, net	12	2,410,235	2,816,544	987,078	1,311,558
Deferred tax assets, net	13	8,642,822	8,708,743	4,849,918	4,915,839
Other non-current assets	14	41,136,036	24,658,526	-	24,655,526
Total non-current assets		1,996,748,501	1,906,894,657	2,053,634,509	1,889,568,525
Total assets		2,744,301,980	2,604,864,724	2,453,501,047	2,407,091,579

The accompanying notes on pages 15 to 61 are an integral part of these consolidated and separate financial statements.

Sea Oil Public Company Limited
Statement of Financial Position (Continued)
As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institutions	15.1	408,582,451	396,301,984	343,682,851	396,301,984
Current portion of long-term borrowings					
from a parent	15.2	50,000,000	-	50,000,000	-
Current portion of long-term borrowings					
from financial institutions	15.2	73,476,000	120,592,000	-	-
Trade and other payables	17	239,055,963	204,364,597	30,188,288	18,996,107
Current income tax payable		2,695,027	1,959,589	-	-
Other current liabilities		6,801,441	14,425,849	1,412,991	1,005,868
Total current liabilities		780,610,882	737,644,019	425,284,130	416,303,959
Non-current liabilities					
Long-term borrowing from a parent	15.2	-	300,000,000	-	300,000,000
Long-term borrowings from financial institutions	15.2	199,976,000	206,416,000	-	-
Debentures	15.2	396,505,743	-	396,505,743	-
Employee benefit obligations	18	9,220,126	7,505,428	8,099,618	6,824,193
Other non-current liabilities		3,594,948	-	-	-
Total non-current liabilities		609,296,817	513,921,428	404,605,361	306,824,193
Total liabilities		1,389,907,699	1,251,565,447	829,889,491	723,128,152

The accompanying notes on pages 15 to 61 are an integral part of these consolidated and separate financial statements.

Sea Oil Public Company Limited
Statement of Financial Position (Continued)
As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity (Continued)					
Equity					
Share capital	19				
Authorised share capital					
691,867,135 ordinary shares					
at par value of Baht 1 each					
(31 December 2017:					
691,867,135 ordinary shares					
at par value of Baht 1 each)		691,867,135	691,867,135	691,867,135	691,867,135
Issued and paid-up share capital					
553,559,662 ordinary shares					
at par value of Baht 1 each					
(31 December 2017:					
553,538,208 ordinary shares					
at par value of Baht 1 each)		553,559,662	553,538,208	553,559,662	553,538,208
Premium on ordinary shares	19	933,170,699	933,127,791	933,170,699	933,127,791
Shortage arising from business					
combination under common control	10.1	(74,049,938)	(74,049,938)	-	-
Retained earnings (deficits)					
Appropriated - legal reserve	21	26,509,200	26,509,200	26,509,200	26,509,200
Unappropriated		(86,622,480)	(85,867,861)	110,371,995	170,788,228
Other components of equity		(5,914,929)	(2,292,225)	-	-
Equity attributable to owners of the parent		1,346,652,214	1,350,965,175	1,623,611,556	1,683,963,427
Non-controlling interests		7,742,067	2,334,102	-	-
Total equity		1,354,394,281	1,353,299,277	1,623,611,556	1,683,963,427
Total liabilities and equity		2,744,301,980	2,604,864,724	2,453,501,047	2,407,091,579

The accompanying notes on pages 15 to 61 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 2018

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Revenue from sales		4,726,927,091	3,710,341,462	1,173,046,618	905,476,941
Revenue from services		50,208,187	105,679,660	50,208,187	105,679,660
Cost of sales		(4,501,256,077)	(3,502,303,139)	(1,101,572,813)	(833,944,128)
Cost of services		(38,257,763)	(95,065,918)	(38,257,763)	(95,065,918)
Gross profit		237,621,438	218,652,065	83,424,229	82,146,555
Other income	23	34,550,618	11,330,719	14,046,784	39,910,766
Selling expenses		(76,451,873)	(67,790,469)	(26,423,714)	(24,179,624)
Administrative expenses	25	(134,464,782)	(137,824,421)	(84,851,349)	(74,692,825)
Other gains (losses) - exchange rates, net		2,823,869	(30,175,625)	(91,003)	(3,375,237)
Finance costs	24	(57,674,005)	(64,099,917)	(46,455,259)	(55,812,662)
Profit (loss) before share of profit (loss) from a joint venture and income tax		6,405,265	(69,907,648)	(60,350,312)	(36,003,027)
Share of profit (loss) from a joint venture	10.2	2,708,619	(36,652,354)	-	-
Profit (loss) before income tax		9,113,884	(106,560,002)	(60,350,312)	(36,003,027)
Income tax	26	(3,263,258)	281,584	(65,921)	920,022
Profit (loss) for the year		5,850,626	(106,278,418)	(60,416,233)	(35,083,005)

The accompanying notes on pages 15 to 61 are an integral part of these consolidated and separate financial statements.

Sea Oil Public Company Limited
Statement of Comprehensive Income (Continued)
For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of post-employment benefit obligations	18	-	(2,658,090)	-	(2,658,090)
Income tax on items that will not be reclassified subsequently to profit or loss	13	-	531,618	-	531,618
Total items that will not be reclassified to profit or loss		-	(2,126,472)	-	(2,126,472)
Item that will be reclassified subsequently to profit or loss					
Currency translation differences		(4,819,984)	(2,683,550)	-	-
Total item that will be reclassified subsequently to profit or loss		(4,819,984)	(2,683,550)	-	-
Other comprehensive income for the year, net of tax		(4,819,984)	(4,810,022)	-	(2,126,472)
Total comprehensive income for the year		<u>1,030,642</u>	<u>(111,088,440)</u>	<u>(60,416,233)</u>	<u>(37,209,477)</u>
Profit (loss) attributable to:					
Owners of the parent		(754,619)	(104,553,522)	(60,416,233)	(35,083,005)
Non-controlling interests		6,605,245	(1,724,896)	-	-
		<u>5,850,626</u>	<u>(106,278,418)</u>	<u>(60,416,233)</u>	<u>(35,083,005)</u>
Total comprehensive income attributable to:					
Owners of the parent		(4,377,323)	(108,905,377)	(60,416,233)	(37,209,477)
Non-controlling interests		5,407,965	(2,183,063)	-	-
		<u>1,030,642</u>	<u>(111,088,440)</u>	<u>(60,416,233)</u>	<u>(37,209,477)</u>
Earnings (loss) per share					
Basic loss per share	27	<u>(0.0014)</u>	<u>(0.1962)</u>	<u>(0.1091)</u>	<u>(0.0658)</u>

The accompanying notes on pages 15 to 61 are an integral part of these consolidated and separate financial statements.

Sea Oil Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Consolidated financial statements													
Attributable to owners of the parent									Non-controlling interests				
Notes	Issued and paid-up share capital	Share premium	Shortage arising from business combination under common control	Retained earnings		Other components of equity		Equity attributable to owners of the parent	Other owners' interest arising from business combination under common control	Other non-controlling interests	Total	Total equity	
				- legal reserve	Unappropriated	Translation of financial statements	Total other components of equity						
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
Opening balance as at													
1 January 2017	415,120,281	656,291,937	-	26,509,200	48,485,818	(66,842)	(66,842)	1,146,340,394	110,979,283	7,487,944	118,467,227	1,264,807,621	
Changes in equity for the year													
Increase in share capital	19	138,373,427	276,746,854	-	-	-	-	415,120,281	-	-	-	415,120,281	
Exercise of warrants	19	44,500	89,000	-	-	-	-	133,500	-	-	-	133,500	
Dividend paid	22	-	-	-	(27,673,685)	-	-	(27,673,685)	-	-	-	(27,673,685)	
Total comprehensive income for the year		-	-	-	(106,679,994)	(2,225,383)	(2,225,383)	(108,905,377)	2,970,779	(5,153,842)	(2,183,063)	(111,088,440)	
Business combination under common control	10.1	-	-	(74,049,938)	-	-	-	(74,049,938)	(113,950,062)	-	(113,950,062)	(188,000,000)	
Closing balance as at													
31 December 2017		553,538,208	933,127,791	(74,049,938)	26,509,200	(85,867,861)	(2,292,225)	(2,292,225)	1,350,965,175	-	2,334,102	2,334,102	1,353,299,277

The accompanying notes on pages 15 to 61 are an integral part of these consolidated and separate financial statements.

Sea Oil Public Company Limited

Statement of Changes in Equity (Continued)

For the year ended 31 December 2018

Consolidated financial statements												

The accompanying notes on pages 15 to 61 are an integral part of these consolidated and separate financial statements.

Sea Oil Public Company Limited
Statement of Changes in Equity (Continued)
For the year ended 31 December 2018

		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
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					
Increase in share capital	19	138,373,427	276,746,854	-	415,120,281
Exercise of warrants	19	44,500	89,000		133,500
Dividend paid	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	170,788,228	1,683,963,427
Opening balance as at 1 January 2018		553,538,208	933,127,791	170,788,228	1,683,963,427
Changes in equity for the year					
Exercise of warrants	19	21,454	42,908	-	64,362
Total comprehensive income for the year		-	-	(60,416,233)	(60,416,233)
Closing balance as at 31 December 2018		553,559,662	933,170,699	110,371,995	1,623,611,556

The accompanying notes on pages 15 to 61 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 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax		9,113,884	(106,560,002)	(60,350,312)	(36,003,027)
Adjustments for:					
Depreciation and amortisation	11, 12	21,038,119	20,106,831	809,975	674,469
Allowance for doubtful accounts (reserved)		1,571,353	1,543,086	(210,000)	(1,130,800)
Loss on sale and write off of fixed assets		615,260	3,211,037	-	-
Loss on exchange rate		7,378,393	5,261,280	341,907	3,561,002
Loss from modification of loan agreements	28.4	-	1,266,433	-	1,266,433
Employee benefit obligations	18	1,714,698	1,370,625	1,275,425	689,390
Dividend income	23	-	-	-	(17,460,274)
Interest income	23	(2,817,223)	(3,666,441)	(10,143,269)	(19,003,636)
Interest expense	24	57,674,005	64,099,917	46,455,259	55,812,662
Share of (profit) loss from a joint venture	10.2	(2,708,619)	36,652,354	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities		93,579,870	23,285,120	(21,821,015)	(11,593,781)
Changes in operating assets and liabilities					
Trade and other receivables		(120,162,054)	87,919,122	(25,344,145)	2,415,335
Inventories		11,465,282	(37,029,846)	(3,377,959)	(711,539)
Other current assets		993,942	(20,441,205)	(839,715)	952,657
Other non-current assets		3,576,643	2,688,711	24,655,525	8,092
Trade and other payables		42,324,203	53,996,205	8,674,520	(3,025,895)
Other current liabilities		(12,174,408)	4,678,595	407,123	(3,196,312)
Other non-current liabilities		3,594,948	-	-	-
Cash generated from (used in) operations		23,198,426	115,096,702	(17,645,666)	(15,151,443)
Income tax received		-	12,649,823	-	12,649,823
Income tax paid		(7,854,601)	(3,805,114)	(5,407,891)	(3,860,753)
Net cash generated from (used in) operating activities		15,343,825	123,941,411	(23,053,557)	(6,362,373)

The accompanying notes on pages 15 to 61 are an integral part of these consolidated and separate financial statements.

Sea Oil Public Company Limited
Statement of Cash Flows (Continued)
For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Restricted deposits at financial institutions		1,477,675	12,693,066	-	-
Proceeds from sales of fixed assets		162,056	542,037	-	-
Purchase of fixed assets		(86,552,064)	(108,254,600)	(1,923,676)	(329,286)
Interest paid capitalised in qualifying assets		(9,774,903)	(6,619,333)	-	-
Payment for investment in subsidiaries	10.1	-	(188,000,000)	(45,551,042)	(201,500,000)
Capitalised transaction costs	10.1	-	-	-	(1,500,000)
Loans made to subsidiaries	28.4	-	-	(175,912,000)	(165,000,000)
Proceeds from repayment of loans to subsidiaries	28.4	-	-	147,412,053	233,985,477
Proceeds from sale of general investment		-	17,533,500	-	17,533,500
Dividend received		-	-	-	17,460,274
Interest received		2,798,210	3,617,460	5,075,402	6,323,467
Net cash used in investing activities		(91,889,026)	(268,487,870)	(70,899,263)	(93,026,568)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares	19	-	415,120,281	-	415,120,281
Proceeds from exercise of warrants	19	64,362	133,500	64,362	133,500
Proceeds from short-term borrowing from a related party	15.1	-	600,000	-	-
Repayment on short-term borrowing from a related party	15.1	-	(600,000)	-	-
Proceeds from short-term borrowings from financial institutions	15.1	1,796,109,881	538,308,998	1,537,146,857	537,308,998
Repayment on short-term borrowings from financial institutions	15.1	(1,786,686,586)	(151,000,000)	(1,592,312,667)	(150,000,000)
Proceeds from issuance of debentures	15.2	400,000,000	-	400,000,000	-
Repayment on debentures	15.2	-	(1,000,000,000)	-	(1,000,000,000)
Proceeds from long-term borrowing from a parent	15.2	-	300,000,000	-	300,000,000
Repayment on long-term borrowing from a parent	15.2	(250,000,000)	-	(250,000,000)	-
Proceeds from long-term borrowings from financial institutions	15.2	-	60,000,000	-	-
Repayment on long-term borrowings from financial institutions	15.2	(53,556,000)	(31,124,000)	-	-
Repayment on finance lease liabilities		-	(409,715)	-	-
Payment of transaction costs of borrowings	15.1, 15.2	(7,980,000)	-	(7,980,000)	-
Interest paid		(47,868,563)	(55,595,844)	(36,889,769)	(47,308,590)
Dividend paid	22	-	(27,674,117)	-	(27,673,685)
Net cash generated from financing activities		50,083,094	47,759,103	50,028,783	27,580,504

The accompanying notes on pages 15 to 61 are an integral part of these consolidated and separate financial statements.

Sea Oil Public Company Limited
Statement of Cash Flows (Continued)
For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Net decrease in					
cash and cash equivalents		(26,462,107)	(96,787,356)	(43,924,037)	(71,808,437)
Cash and cash equivalents at the beginning					
of the year		171,906,380	259,685,631	62,636,012	138,038,928
Exchange gains (losses) on cash and					
cash equivalents		(11,569,697)	9,008,105	(19,590)	(3,594,479)
Cash and cash equivalents at the end					
of the year	7	<u>133,874,576</u>	<u>171,906,380</u>	<u>18,692,385</u>	<u>62,636,012</u>
Supplementary information for cash flows					
Non-cash transactions:					
Purchase of equipment on payable		5,833,457	4,295,979	-	-
Acquiring of preference shares by					
a settlement of debt and interest receivable	10.1, 28.4	-	-	142,122,688	-

The accompanying notes on pages 15 to 61 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-Tai 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 2018 is as follows:

Company	Incorporated country	Nature of business	Holding interest in ordinary shares (%)
Subsidiaries			
Sea Oil Energy Limited	Islands of Bermuda	Holding Company	100.00
Sea Oil Offshore Limited	Malaysia	Retail sale of fuel oil and related products	100.00
Sea Oil Petroleum Pte. Ltd.	Singapore	Retail sale of fuel oil and related products	75.00
Sea Oil Petrochemical Company Limited	Thailand	Production and retail sale of solvent and related products	99.99
Living Energy Company Limited	Thailand	Holding company, management service for solar power plant and retail sale of solar roof top	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
*Dissolved on 12 February 2019			
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	49.99

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 26 February 2019.

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.

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 New financial reporting standards and revised financial reporting standards

2.2.1 The financial reporting standards are effective for annual periods beginning on or after 1 January 2018. These standards have significant changes and are relevant to the Group.

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 above revised standards do not have a material impact on the Group except for disclosures.

2 Accounting policies (Continued)

2.2 New financial reporting standards and revised financial reporting standards (Continued)

2.2.2 The financial reporting standards are effective for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet early adopted these standards.

TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property
TFRS 2 (revised 2018)	Share-based Payment
TFRS 15	Revenue from contracts with customers
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TAS 28 (revised 2018), the amendments clarify that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40 (revised 2018), the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

TFRS 2 (revised 2018), the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

TFRS 15: Revenue from contracts with customers, this is a new financial reporting standard for the revenue recognition and it will replace TAS 18 for sales of goods and services and TAS 11 for construction contracts. The new standard is based on the principle that revenue is recognised when controls of goods or services are transferred to customers. The standard permits either a full retrospective or a modified retrospective approach by adjusting the cumulative effect to the opening balance of retained earnings.

TFRIC 22, this interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

The Group's management assesses that these standards will not have a material impact to the Group.

2 Accounting policies (Continued)

2.2 New financial reporting standards and revised financial reporting standards (Continued)

2.2.3 The financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020. The Group has not yet early adopted the new standards.

The financial reporting standards relating to financial instruments consist of the following standards:

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

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity Securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32: Financial Instruments: Presentation, it provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7: Financial Instruments: Disclosures, it provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9: Financial Instruments, it establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follows:

- Classification and measurement:
 - Financial assets which are debt instruments are classified and measured into three categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Financial assets which are equity instruments shall be classified and measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, financial assets which are debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for (1) trade receivables and contractual assets, which apply in TFRS 15 that are no significant financial components and (2) lease receivables that are permitted to measure by simplified approach for credit impaired consideration.

2 Accounting policies (Continued)

2.2 New financial reporting standards and revised financial reporting standards (Continued)

2.2.3 The financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020. The Group has not yet early adopted the new standards. (Continued)

The financial reporting standards relating to financial instruments consist of the following standards:

- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC: 16 Hedges of a Net Investment in a Foreign Operation, it clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC: 19 Extinguishing Financial Liabilities with Equity Instruments, it provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

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.

2 Accounting policies (Continued)

2.3 Investments in subsidiaries and a joint venture (Continued)

2.3.1 Subsidiaries (Continued)

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 recognise 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.

2.3.4 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 attribute 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 Accounting policies (Continued)

2.3 Investments in subsidiaries and a joint venture (Continued)

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.

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 Accounting policies (Continued)

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.

2.6 Trade receivables

Trade receivables 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 Accounting policies (Continued)

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 any accumulated impairment loss. Building and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. 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.

Land is not depreciated. Depreciation of other assets is calculated using the straight line method to allocate its cost to its residual values over estimated useful lives, as follows:

Building	20 years
Building improvements	5 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 (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 (Continued)

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 that are not transferred 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 assets 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 (Continued)

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 substantively 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 (Continued)

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 (Continued)

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 (Continued)

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.

The following information presents fair value of the derivatives that are not recognised in the statement of financial position.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Assets				
Foreign currency forward contract	30,561	231,426	30,561	28,700
Liabilities				
Foreign currency forward contract	55,638	-	55,638	-

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

The Group discloses fair value of long-term borrowings and long-term loans to subsidiaries in Notes 15 and 28.4, 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 a joint venture

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 18.

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 Operating segment information

Operating segment information is presented in respect of the Group's products and services.

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 corporate assets and other income and expense that are unallocated.

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 onshore and offshore housekeeping and food services
- D) Electricity generation from solar energy and sale of solar roof
- E) Production and retail sale of solvent and petrochemical products

Operating segment information is as follows:

	Consolidated financial statements					Total Baht
	Segment A Baht	Segment B Baht	Segment C Baht	Segment D Baht	Segment E Baht	
For the year ended 31 December 2018						
Revenue from external customers	4,568,097,742	81,117,698	50,208,187	77,711,651	-	4,777,135,278
Segment operating profit	106,441,351	208,533	10,548,483	14,368,192	13,247,412	144,813,971
As at 31 December 2018						
Trade receivables and accrual income - net	521,388,123	7,780,995	5,998,284	9,529,265	48,000	544,744,667
Other assets (corporate assets)						2,199,557,313
Total assets						<u>2,744,301,980</u>

6 Operating segment information (Continued)

	Consolidated financial statements					
	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
As at 31 December 2017						
Trade receivables and accrual income - 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 operating profit can be reconciled to the Group's profit for the year as follows:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Segment operating profit	144,813,971	102,320,235
Reconciling items:		
Other income - head office	330,313	2,188,967
Administrative expenses - head office	(100,964,522)	(94,447,156)
Gains (losses) on exchange rate, net- head office	2,623,598	(30,567,508)
Finance costs - head office	(40,398,095)	(49,402,186)
Share of profit (loss) from a joint venture	2,708,619	(36,652,354)
Income tax expense	(3,263,258)	281,584
Net profit (loss) for the year	5,850,626	(106,278,418)

The Group has no revenues from transactions with a single external customer amount to 10 percent or more of the Group's total revenues.

6 Operating segment information (Continued)

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 2018									
		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		1,068,016,674	3,500,081,068	81,117,698	-	50,208,187	-	77,711,651	-	-	-
Segment operating profit		34,190,967	72,250,384	208,533	-	10,548,483	-	14,368,192	-	13,247,412	-
		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)	-

The revenue from sales and services of segment A in foreign countries amount of Baht 3,500.08 million is revenue from Singapore of Baht 2,993.17 million (2017: Baht 2,312.27 million) and from Malaysia of Baht 506.91 million (2017: Baht 366.89 million).

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	1,224,306	3,138,379	-	-
Deposits at banks - current accounts	122,610,302	166,938,656	16,413,238	62,246,193
Deposits at banks - savings accounts	10,039,968	1,142,308	2,279,147	389,819
Deposit at bank - fixed account	-	687,037	-	-
	<u>133,874,576</u>	<u>171,906,380</u>	<u>18,692,385</u>	<u>62,636,012</u>

The interest rates on savings accounts are 0.50% - 0.63% per annum (2017: 0.50% - 0.63% per annum).

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables				
- other parties	516,882,169	406,127,785	148,236,959	122,398,969
- related parties (Note 28.3)	33,981,028	35,839,389	32,902,909	33,277,905
<u>Less</u> Allowance for doubtful accounts	<u>(12,897,671)</u>	<u>(11,336,857)</u>	<u>(8,552,015)</u>	<u>(8,762,015)</u>
Trade receivables - net	537,965,526	430,630,317	172,587,853	146,914,859
Accrued income				
- other parties	6,164,776	7,956,644	1,323,697	2,528,582
- related parties (Note 28.3)	614,365	-	614,365	-
	<u>544,744,667</u>	<u>438,586,961</u>	<u>174,525,915</u>	<u>149,443,441</u>
Other receivables - related parties (Note 28.3)	159,242	163,242	7,151,565	5,443,457
Interest receivables - related parties (Note 28.3)	-	-	373,202	22,430,734
Advance payment for purchasing of goods and services	11,793,725	14,803,854	10,758,467	12,365,027
Insurance claim receivable	9,935,689	-	-	-
Others	3,021,993	3,569,890	1,586,779	1,484,471
	<u>569,655,316</u>	<u>457,123,947</u>	<u>194,395,928</u>	<u>191,167,130</u>

The aging analysis of the trade receivables is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current	381,302,675	312,396,016	94,077,831	92,925,950
Overdue:				
1 - 60 days	130,223,696	110,439,605	64,836,288	50,181,159
61 - 120 days	5,231,943	5,424,165	1,090,710	2,704,264
121 - 180 days	20,642,080	400,122	11,977,984	400,121
Over 180 days	13,462,803	13,307,266	9,157,055	9,465,380
	<u>550,863,197</u>	<u>441,967,174</u>	<u>181,139,868</u>	<u>155,676,874</u>
<u>Less</u> Allowance for doubtful accounts	<u>(12,897,671)</u>	<u>(11,336,857)</u>	<u>(8,552,015)</u>	<u>(8,762,015)</u>
	<u>537,965,526</u>	<u>430,630,317</u>	<u>172,587,853</u>	<u>146,914,859</u>

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Raw materials	6,340,111	5,779,286	3,078,344	917,039
Finished goods	18,158,070	19,626,286	-	-
Goods in transit	1,216,654	11,801,932	1,216,654	-
Spare parts	123,175	391,173	-	-
	<u>25,838,010</u>	<u>37,598,677</u>	<u>4,294,998</u>	<u>917,039</u>

10 Investments in subsidiaries and interests in a joint venture

10.1 Investments in subsidiaries

The investments in subsidiaries are as follows:

The investments in subsidiaries are as follows.

Company	Incorporated country	Nature of business	Holding interest in ordinary share (%)	
			2018 (%)	2017 (%)
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 ¹	Singapore	Retail sale of fuel oil and related products	75.00	75.00
Sea Oil Petrochemical Company Limited	Thailand	Production and retail sale of solvent and related products	99.99	99.99
Living Energy Company Limited	Thailand	Holding company, management service for solar power plant and retail sale of solar roof top	99.99	99.99
Indirect subsidiaries (held by Living Energy Company Limited)				
NW Solar Company Limited	Thailand	Solar power plant	99.99	99.99
NW Green Power Company Limited	Thailand	Solar power plant	99.99	99.99
NW Energy Company Limited	Thailand	Solar power plant	99.99	99.99
Sky Solar Roof Company Limited	Thailand	Solar power plant	99.99	99.99
Sky Solar Power Company Limited	Thailand	Solar power plant	99.99	99.99
Solar Town Company Limited	Thailand	Solar power plant	99.99	99.99
Sunny Solar Company Limited	Thailand	Solar power plant	99.99	99.99
Sun Link Power Company Limited	Thailand	Solar power plant	99.99	99.99
Renergy Solar Company Limited ²	Thailand	Management service for solar power plant	99.99	99.99

¹ The Company invests in Sea Oil Petroleum Pte. Ltd., by holding 0.75 million ordinary shares at USD 1 per share and 4.40 million preference shares at USD 1 per share, combining to the total holding interest at 95.37%. The preference shares are non-voting rights, therefore, the voting rights of the Company in this subsidiary is 75%.

² Renergy Solar Company Limited registered for liquidation with the Ministry of Commerce on 25 September 2017. The subsidiary is dissolved on 12 February 2019.

10 Investments in subsidiaries and interests in a joint venture (Continued)

10.1 Investments in subsidiaries (Continued)

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

	Separate financial statements	
	2018 Baht	2017 Baht
Sea Oil Energy Limited	32	32
Sea Oil Offshore Limited	977,400	977,400
Sea Oil Petroleum Pte. Ltd	174,146,327	26,972,597
Sea Oil Petrochemical Company Limited	189,823,947	149,323,947
Living Energy Company Limited	193,158,944	193,158,944
	<u>558,106,650</u>	<u>370,432,920</u>

Movement in the investment in subsidiaries is as follows:

	Separate financial statements	
	2018 Baht	2017 Baht
As at 1 January	370,432,920	163,773,976
Addition	187,673,730	206,658,944
As at 31 December	<u>558,106,650</u>	<u>370,432,920</u>

Sea Oil Petrochemical Company Limited

On 22 May 2017, the Company paid Baht 13.50 million for share capital of 0.54 million shares at Baht 25 per share. It is a 25% call for paid-up ordinary share capital.

On 27 March 2018, the Company paid Baht 40.50 million for 0.54 million share at Baht 75 per share. It is an additional call for the remaining 75% of par value.

Sea Oil Petroleum Pte. Ltd.

On 15 August 2018, the Company invested 4.40 million share at USD 1 in preference shares of Sea Oil Petroleum Pte. Ltd., totalling USD 4.40 million, equivalent to Baht 147.17 million by conversion the debt of Baht 115.00 million (note 28.4) and interest receivable of Baht 27.12 million. The Company also paid in cash of Baht 5.05 million. The preference shares are non-voting right with cumulative dividend per share at 5.65% per annum.

On 18 December 2018, the Board of Directors of Sea Oil Petroleum Pte. Ltd. passed a resolution to propose the shareholders to pay dividend of the preference shares for the 2018 performance.

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 Sunny Phum Company Limited which is controlled by its parent company, Nathalin Company Limited. 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

10 Investments in subsidiaries and interests in a joint venture (Continued)

10.1 Investments in subsidiaries (Continued)

Such acquisition is considered as a business combination under common control. 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)

10.2 Investment in a joint venture

Investment in a joint venture is as follows;

Company	Incorporated country	Nature of Business	Ownership of interest	
			2018 (%)	2017 (%)
Pan Orient Energy (Siam) Ltd.	Islands of Bermuda	Exploration, development and production of petroleum and natural gas	49.99	49.99

Pan Orient Energy (Siam) Ltd. (POES) is held by Sea Oil Energy Limited 49.99% and Pan Orient Petroleum Pte. 50.01%. The Group classified the investment in POES as a joint venture as the significant decisions on the investee's operations require unanimous vote by all shareholders.

POES currently operates a petroleum concession Block L53/48 at Kamphaeng Saen District, Nakorn Pathom Province.

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

	Consolidated financial statements	
	2018 Baht	2017 Baht
Pan Orient Energy (Siam) Ltd.	1,268,396,862	1,265,688,243
	<u>1,268,396,862</u>	<u>1,265,688,243</u>

The cost of investment in Pan Orient Energy (Siam) Ltd. is Baht 1,387.88 million.

10 Investments in subsidiaries and interests in a joint venture (Continued)

10.2 Investment in a joint venture (Continued)

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

	Consolidated financial statements	
	2018 Baht	2017 Baht
As at 1 January	1,265,688,243	1,302,340,597
Share of profit (loss)	2,708,619	(36,652,354)
As at 31 December	<u>1,268,396,862</u>	<u>1,265,688,243</u>

The following table provides a summary of financial information for a joint venture. The information as disclosed is the amounts shown in the financial statements of the joint venture (which is not just the share of the Group in the joint venture), and adjusted by items 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.

	31 December 2018 Baht'000	31 December 2017 Baht'000
Statement of financial position as at 31 December		
Assets		
Cash and cash equivalents	210,850	218,065
Other current assets	507,484	490,434
Non-current assets	<u>3,528,686</u>	<u>3,492,867</u>
Total assets	<u>4,247,020</u>	<u>4,201,366</u>
Liabilities		
Current liabilities	85,567	45,768
Non-current liabilities	<u>1,624,407</u>	<u>1,623,968</u>
Total liabilities	<u>1,709,974</u>	<u>1,669,736</u>
Net assets	<u>2,537,046</u>	<u>2,531,630</u>
Statement of comprehensive income for the year ended 31 December		
	2018 Baht'000	2017 Baht'000
Revenue	380,912	310,011
Depreciation and amortisation	(231,879)	(330,936)
Cost and administrative expenses	<u>(141,899)</u>	<u>(126,601)</u>
Profit (loss) from operations	7,134	(147,526)
Income tax	<u>(1,718)</u>	<u>74,214</u>
Net profit (loss)	<u>5,416</u>	<u>(73,312)</u>

10 Investments in subsidiaries and interests in a joint venture (Continued)

10.2 Investment in a joint venture (Continued)

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

	2018 Baht'000	2017 Baht'000
Net assets as at 1 January	2,531,630	2,604,942
Profit (loss) for the year	5,416	(73,312)
Net assets as at 31 December	2,537,046	2,531,630
Interest in a joint venture (49.99%)	1,268,397	1,265,688
Carrying value as at 31 December	1,268,397	1,265,688

The Company tests impairment of investment in a joint venture at the year end. The recoverable amount of investment in a joint venture is determined based on value-in-use calculation. This calculation uses cash flow projection from the petroleum concession. It is based on an estimate of the petroleum reserves, the petroleum resources and future oil prices provided by specialist. The Group applies future oil prices at 58.11 USD/Barrel with growth rate at 2.00% per annum and weighted average cost of capital at 13.00% - 17.00% 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 646.53 million. An increase in discount rate of 13.00% resulting the rate to be 25.00% to 30.00% per annum or a reduction of future oil prices by 30.65% per year would remove the excessive amount of the recoverable amount.

11 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 2017							
Cost	65,397,257	-	11,274,678	409,415,789	1,220,405	82,122,481	569,430,610
<u>Less</u> Accumulated depreciation	-	-	(8,179,387)	(34,603,013)	(595,129)	-	(43,377,529)
Net book amount	<u>65,397,257</u>	<u>-</u>	<u>3,095,291</u>	<u>374,812,776</u>	<u>625,276</u>	<u>82,122,481</u>	<u>526,053,081</u>
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
Transfer 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	-	-	(1,659,900)	-	-	(750,887)	(2,410,787)
- Accumulated depreciation	-	-	761	-	-	-	761
Depreciation charged (Note 25)	-	(78,079)	(1,848,914)	(17,566,086)	(114,038)	-	(19,607,117)
Exchange differences	-	-	(201,112)	-	-	-	(201,112)
Closing net book amount	<u>65,397,257</u>	<u>14,546,744</u>	<u>5,527,529</u>	<u>357,295,513</u>	<u>79,791</u>	<u>158,105,863</u>	<u>600,952,697</u>
At 31 December 2017							
Cost	65,397,257	14,624,823	15,503,688	409,038,473	111,405	158,105,863	662,781,509
<u>Less</u> Accumulated depreciation	-	(78,079)	(9,976,159)	(51,742,960)	(31,614)	-	(61,828,812)
Net book amount	<u>65,397,257</u>	<u>14,546,744</u>	<u>5,527,529</u>	<u>357,295,513</u>	<u>79,791</u>	<u>158,105,863</u>	<u>600,952,697</u>

11 Property, plant and equipment, net (Continued)

	Consolidated financial statements						Total Baht
	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	
At 1 January 2018							
Cost	65,397,257	14,624,823	15,503,688	409,038,473	111,405	158,105,863	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	14,546,744	5,527,529	357,295,513	79,791	158,105,863	600,952,697
For the year ended 31 December 2018							
Opening net book amount	65,397,257	14,546,744	5,527,529	357,295,513	79,791	158,105,863	600,952,697
Addition	-	356,250	2,550,599	284,747	-	90,774,481	93,966,077
Disposal							
- Cost	-	-	-	-	-	(765,452)	(765,452)
- Accumulated depreciation	-	-	-	-	-	-	-
Depreciation charged (Note 25)	-	(750,005)	(2,222,923)	(17,573,487)	(22,280)	-	(20,568,695)
Exchange differences	-	-	(14,311)	-	-	-	(14,311)
Closing net book amount	65,397,257	14,152,989	5,840,894	340,006,773	57,511	248,114,892	673,570,316
At 31 December 2018							
Cost	65,397,257	14,981,073	17,915,439	409,323,220	111,405	248,114,892	755,843,286
Less Accumulated depreciation	-	(828,084)	(12,074,545)	(69,316,447)	(53,894)	-	(82,272,970)
Net book amount	65,397,257	14,152,989	5,840,894	340,006,773	57,511	248,114,892	673,570,316

The borrowing costs of Baht 9.77 million (2017: Baht 6.62 million) are capitalised in cost of qualifying assets and presented in "addition" in the consolidated financial statements. The Group uses a capitalisation rate of 5.64% to calculate borrowing costs eligible for capitalisation.

Property, plant and equipment of the Group include the assets of a subsidiary of Baht 520.00 million, which are pledged as collateral for loans from a financial institutions (Note 15).

11 Property, plant and equipment, net (Continued)

	Separate financial statements			
	Fixtures and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2017				
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	<u>412,671</u>	<u>102,071</u>	<u>711,360</u>	<u>1,226,102</u>
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 25)	(300,063)	(22,280)	-	(322,343)
Closing net book amount	<u>441,894</u>	<u>79,791</u>	<u>711,360</u>	<u>1,233,045</u>
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	<u>441,894</u>	<u>79,791</u>	<u>711,360</u>	<u>1,233,045</u>
For the year ended 31 December 2018				
Opening net book amount	441,894	79,791	711,360	1,233,045
Addition	1,923,676	-	-	1,923,676
Depreciation charged (Note 25)	(463,215)	(22,280)	-	(485,495)
Closing net book amount	<u>1,902,355</u>	<u>57,511</u>	<u>711,360</u>	<u>2,671,226</u>
At 31 December 2018				
Cost	9,564,471	111,405	711,360	10,387,236
<u>Less</u> Accumulated depreciation	(7,662,116)	(53,894)	-	(7,716,010)
Net book amount	<u>1,902,355</u>	<u>57,511</u>	<u>711,360</u>	<u>2,671,226</u>

12 Intangible assets - net

	Consolidated financial statements	Separate financial statements
	Computer software Baht	Computer software Baht
At 1 January 2017		
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 25)	(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
For the year ended 31 December 2018		
Opening net book amount	2,816,544	1,311,558
Addition	72,207	-
Amortisation charged (Note 25)	(469,424)	(324,480)
Exchange differences	(9,092)	-
Closing net book amount	2,410,235	987,078
At 31 December 2018		
Cost	5,503,479	3,683,113
<u>Less</u> Accumulated amortisation	(3,093,244)	(2,696,035)
Net book amount	2,410,235	987,078

13 Deferred income tax

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	2,448,710	1,798,597	2,448,710	1,798,597
Deferred tax asset to be recovered after 12 months	7,123,231	6,910,146	3,330,327	3,117,242
	<u>9,571,941</u>	<u>8,708,743</u>	<u>5,779,037</u>	<u>4,915,839</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(929,119)	-	(929,119)	-
Deferred tax liability to be settled after 12 months	-	-	-	-
	<u>(929,119)</u>	<u>-</u>	<u>(929,119)</u>	<u>-</u>
Deferred tax asset (net)	<u>8,642,822</u>	<u>8,708,743</u>	<u>4,849,918</u>	<u>4,915,839</u>

Movement of deferred income tax is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	8,708,743	4,919,839	4,915,839	2,331,963
Charged/(credited) to profit or loss	(65,921)	3,257,286	(65,921)	2,052,258
Charged/(credited) to other comprehensive income	-	531,618	-	531,618
At 31 December	<u>8,642,822</u>	<u>8,708,743</u>	<u>4,849,918</u>	<u>4,915,839</u>

Movement of 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 2017	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	1,752,403	1,364,839	1,798,597	3,792,904	8,708,743
Charged/(credited) to profit or loss	(42,000)	255,085	(1,798,597)	2,448,710	863,198
At 31 December 2018	<u>1,710,403</u>	<u>1,619,924</u>	<u>-</u>	<u>6,241,614</u>	<u>9,571,941</u>

13 Deferred income tax (Continued)

Movement of deferred tax assets and liabilities is as follows (Continued):

	Consolidated financial statements	
	Discount of debentures Baht	Total Baht
Deferred tax liabilities		
At 1 January 2017	341,943	341,943
Charged/(credited) to profit or loss	(341,943)	(341,943)
At 31 December 2017	-	-
Charged/(credited) to profit or loss	(929,119)	(929,119)
At 31 December 2018	(929,119)	(929,119)

	Separate 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 2017	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
Charged/(credited) to profit or loss	(42,000)	255,085	(1,798,597)	2,448,710	863,198
At 31 December 2018	1,710,403	1,619,924	-	2,448,710	5,779,037

The Company recognised deferred tax assets arising from tax loss carry forward due to the Company considers that there is sufficient future taxable profit in order to use this tax loss carry forward.

	Separate financial statements	
	Discount of debentures Baht	Total Baht
Deferred tax liabilities		
At 1 January 2017	341,943	341,943
Charged/(credited) to profit or loss	(341,943)	(341,943)
At 31 December 2017	-	-
Charged/(credited) to profit or loss	(929,119)	(929,119)
At 31 December 2018	(929,119)	(929,119)

14 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Refundable valued added tax	41,133,036	24,655,526	-	24,655,526
Deposit	3,000	3,000	-	-
	<u>41,136,036</u>	<u>24,658,526</u>	<u>-</u>	<u>24,655,526</u>

As at 31 December 2017, refundable valued added tax of Baht 24.66 million is the amount that the Company asked for a refund for the years during 2013 - 2015. The Company already received the refund in cash on 25 December 2018.

As at 31 December 2018, the refundable valued added tax of Baht 41.13 million in the consolidated financial statements is valued added tax of Sea Oil Petrochemical Company Limited. It is in under the process of consideration by the Revenue Department.

15 Borrowings

15.1 Short-term borrowings

Details of short-term borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term borrowings				
Promissory notes	263,848,661	-	263,848,661	-
Bills of exchange	-	396,301,984	-	396,301,984
Short-term borrowings	<u>144,733,790</u>	<u>-</u>	<u>79,834,190</u>	<u>-</u>
	<u>408,582,451</u>	<u>396,301,984</u>	<u>343,682,851</u>	<u>396,301,984</u>

Consolidated financial information					
	Promissory notes Baht	Bills of exchange Baht	Short-term borrowings Baht	Borrowing from a related party Baht	
				Total Baht	
At 1 January 2017	-	-	-	-	-
Addition	151,000,000	387,308,998	-	600,000	538,908,998
Repayment	(151,000,000)	-	-	(600,000)	(151,600,000)
Amortised interest	-	8,992,986	-	-	8,992,986
At 31 December 2017	-	396,301,984	-	-	396,301,984
Addition	685,200,000	-	1,110,909,881	-	1,796,109,881
Repayment	(420,200,000)	(400,000,000)	(966,486,586)	-	(1,786,686,586)
Transaction costs	(2,000,000)	-	-	-	(2,000,000)
Amortised transaction costs/interest	848,661	3,698,016	-	-	4,546,677
Exchange differences	-	-	310,495	-	310,495
At 31 December 2018	<u>263,848,661</u>	<u>-</u>	<u>144,733,790</u>	<u>-</u>	<u>408,582,451</u>

15 Borrowings (Continued)

15.1 Short-term borrowings (Continued)

Movement of short-term borrowings is as follows:

	Promissory notes Baht	Separate financial statements		
		Bills of exchange Baht	Short-term borrowings Baht	Total Baht
At 1 January 2017	-	-	-	-
Addition	150,000,000	387,308,998	-	537,308,998
Repayment	(150,000,000)	-	-	(150,000,000)
Amortised transaction costs/interest	-	8,992,986	-	8,992,986
At 31 December 2017	-	396,301,984	-	396,301,984
Addition	685,200,000	-	851,946,857	1,537,146,857
Repayment	(420,200,000)	(400,000,000)	(772,112,667)	(1,592,312,667)
Transaction costs	(2,000,000)	-	-	(2,000,000)
Amortised transaction costs/interest	848,661	3,698,016	-	4,546,677
At 31 December 2018	263,848,661	-	79,834,190	343,682,851

15.1.1 Promissory notes

The Company

The Company issued promissory notes to financial institutions. The interest rates are at MLR-1.25 to MLR-2 per annum and fixed interest rate at 4.5% per annum. The maturities are 3 - 6 months.

Promissory notes of Baht 200.00 million are pledged by listed shares of Nathalin Company Limited, a parent company. It is required that the value of shares should not less than Baht 334.00 million in which the proportion of the loan to the value of the collateral has to be no greater than 60%.

On 31 December 2018, the value of such shares is less than Baht 334.00 million. The Company can not comply with the conditions. Subsequently, on 7 February 2019 the Company repaid the borrowing of Baht 25 million. Therefore, the proportion of the loan to the value of the collateral is not greater than 60%.

15.1.2 Bills of exchange

The Company

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 Company already settled the bill on due date.

15.1.3 Short-term borrowings

The Company

On 8 February 2018, the Company made a credit facility agreement for payment of goods and services with a financial institution. The interest is at MLR-1.25 per annum. The maturity is 3 months from the date of receiving the borrowings. During the period, the Company requested the credit of Baht 851.95 million and the Company repaid the borrowing of Baht 772.11 million.

As at 31 December 2018, the Company withdraws Baht 0.42 million under a credit facility agreement for payment of goods and services (overdraft) with a financial institution. It has not settled yet.

15 Borrowings (Continued)

15.1 Short-term borrowings (Continued)

Movement of short-term borrowings is as follows:

15.1.3 Short-term borrowings (Continued)

Subsidiaries

On 9 February 2018, Sea Oil Petroleum Pte Ltd. made a short-term credit facility agreement with a financial institution in an amount of USD 10.00 million which is guaranteed by Nathalin Company Limited. The credit facility is divided into 2 types as follows:

- Type 1: Revolving short-term loan with the facility of USD 2.0 million. The interest is at 3.75% per annum plus cost of funds (COF) of a financial institution. During the year, the Company requested the credit of USD 3.6 million, equivalent to Baht 116.32 million and the Company repaid the borrowing of USD 1.6 million, equivalent to Baht 51.7 million.
- Type 2: Advance for local/ foreign purchase with the facility of USD 8.0 million. The interest is at 3.25% plus COF per annum. During the period, the subsidiaries requested the credit of USD 2.27 million, equivalent to Baht 73.27 million. The Company already settled the debt on 10 December 2018.

During the year, Living Energy Company Limited entered into a trust receipt agreement with a financial institution as follows:

- Amount of EUR 0.24 million, equivalent to Baht 9.58 million, was made on 19 February 2018. The interest is at 2.75% per annum. The repayment is due on 19 June 2018. The Company already settled the debt on 11 April 2018.
- Amount of USD 1.83 million, equivalent to Baht 59.80 million, was made on 5 March 2018. The interest is at 4.78% per annum. The repayment is due on 1 June 2018. The Company already settled the debt on 21 March 2018.

15.2 Long-term borrowings

Details of long-term borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Long-term borrowings				
Borrowing from a parent (Note 28.5)				
- Current portion	50,000,000	-	50,000,000	-
- Non-current portion	-	300,000,000	-	300,000,000
Borrowings from a financial institution				
- Current portion	73,476,000	120,592,000	-	-
- Non-current portion	199,976,000	206,416,000	-	-
Debentures				
- Current portion	-	-	-	-
- Non-current portion	396,505,743	-	396,505,743	-
	<u>719,957,743</u>	<u>627,008,000</u>	<u>446,505,743</u>	<u>300,000,000</u>

15 Borrowings (Continued)

15.2 Long-term borrowings (Continued)

Movement of long-term borrowings is as follows:

	Consolidated financial statements		
	Borrowing from a parent Baht (Note 28.5)	Borrowings from financial institutions Baht	Debentures Baht
At 1 January 2017	-	298,132,000	998,290,285
Addition	300,000,000	60,000,000	-
Repayment	-	(31,124,000)	(1,000,000,000)
Amortised discount	-	-	1,709,715
At 31 December 2017	300,000,000	327,008,000	-
Addition	-	-	400,000,000
Repayment	(250,000,000)	(53,556,000)	-
Transaction costs	-	-	(5,980,000)
Amortised discount	-	-	2,485,743
At 31 December 2018	50,000,000	273,452,000	396,505,743
<u>Less</u> Current portion	(50,000,000)	(73,476,000)	-
Non-current portion	-	199,976,000	396,505,743

	Separate financial statements	
	Borrowing from a parent Baht (Note 28.5)	Debentures Baht
At 1 January 2017	-	998,290,285
Addition	300,000,000	-
Repayment	-	(1,000,000,000)
Amortised discount	-	1,709,715
At 31 December 2017	300,000,000	-
Addition	-	400,000,000
Repayment	(250,000,000)	-
Transaction costs	-	(5,980,000)
Amortised discount	-	2,485,743
At 31 December 2018	50,000,000	396,505,743
<u>Less</u> Current portion	(50,000,000)	-
Non-current portion	-	396,505,743

15 Borrowings (Continued)

15.2 Long-term borrowings (Continued)

15.2.1 Long-term borrowings from financial institutions

Long-term borrowings from financial institutions in the amount of Baht 273.45 million comprise the following:

- 1) Borrowings of the Solar Group from a bank are Baht 233.49 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 2018, the savings deposits amounting Baht 2.59 million (2017: 4.07 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 2018, the company under the Solar Group breached the covenants and received a waive letter from the bank on 28 December 2018. Therefore, their non-current portion of borrowings as at 31 December 2018 remained as non-current portion.

- 2) Borrowing of Sea Oil Petrochemical Company Limited from the financial institution is Baht 39.96 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. Land and machinery of Sea Oil Petrochemical Company Limited is used as collateral.

The loan agreements between Sea Oil Petrochemical Company Limited and the bank required the Company to comply with debt covenants in maintaining financial ratios which comprise the maximum debt to equity of 2:1 and the minimum debt service coverage ratio (DSCR) of 1. As at 31 December 2018, the Company can not maintain the minimum debt service coverage ratio (DSCR) of 1. Therefore, non-current portion of borrowings in an amount of Baht 19.92 million is reclassified as a current portion as at 31 December 2018.

15.2.2 Debentures

On 23 February 2018, the Company issued debentures, with the value of Baht 400.00 million for a private placement to institutional investors and high net worth. The fixed interest rate is 5.90% per annum. The debentures are due on February 23, 2020. Nathalin Company Limited has pledged its own shares of a listed company as collateral for the value not less than Baht 600.00 million.

15 Borrowings (Continued)

Fair value

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

The fair value is 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 the long-term borrowings is as follows:

	Fair value				Cost method			
	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Debentures	409,444,362	-	409,444,362	-	396,505,743	-	396,505,743	-
Long-term borrowings from financial institutions	304,889,530	368,931,983	-	-	273,452,000	327,008,000	-	-
Long-term borrowing from a parent	50,000,000	316,377,678	50,000,000	316,377,678	50,000,000	300,000,000	50,000,000	300,000,000
	<u>764,333,892</u>	<u>685,309,661</u>	<u>459,444,362</u>	<u>316,377,678</u>	<u>719,957,743</u>	<u>627,008,000</u>	<u>446,505,743</u>	<u>300,000,000</u>

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Fixed interest rate	461,505,743	756,301,984	461,505,743	696,301,984
Floating interest rate	667,034,451	267,008,000	328,682,851	-
	<u>1,128,540,194</u>	<u>1,023,309,984</u>	<u>790,188,594</u>	<u>696,301,984</u>

The Group has outstanding unused credit facilities as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current portion	777,704,800	792,406,280	518,106,400	792,406,280
Non-current portion	-	99,492,000	-	-
	<u>777,704,800</u>	<u>891,898,280</u>	<u>518,106,400</u>	<u>792,406,280</u>

16 Reconciliation of liabilities arising from financing activities

	1 January 2018 Baht	Cash flows (net) Baht	Non-cash transactions		31 December 2018 Baht
			Transaction costs Baht	Exchange differences Baht	
Consolidated financial statements					
Short-term borrowings from financial institutions	396,301,984	7,423,295	4,546,677	310,495	408,582,451
Long-term borrowing from a parent	300,000,000	(250,000,00)	-	-	50,000,000
Long-term borrowings from financial institutions	327,008,000	(53,556,000)	-	-	273,452,000
Debentures	-	394,020,000	2,485,743	-	396,505,743
Separate financial statements					
Short-term borrowings from financial institutions	396,301,984	(57,165,810)	4,546,677	-	343,682,851
Long-term borrowing from a parent	300,000,000	(250,000,000)	-	-	50,000,000
Debentures	-	394,020,000	2,485,743	-	396,505,743
	1 January 2017 Baht	Cash flows (net) Baht	Non-cash transactions		31 December 2017 Baht
			Transaction costs Baht	Exchange differences Baht	
Consolidated financial statements					
Short-term borrowings from financial institutions	-	387,308,998	8,992,986	-	396,301,984
Long-term borrowing from a parent	-	300,000,000	-	-	300,000,000
Long-term borrowings from financial institutions	298,132,000	28,876,000	-	-	327,008,000
Debentures	998,290,285	(1,000,000,000)	1,709,715	-	-
Finance lease liabilities	409,715	(409,715)	-	-	-
Separate financial statements					
Short-term borrowings from financial institutions	-	387,308,998	8,992,986	-	396,301,984
Long-term borrowing from a parent	-	300,000,000	-	-	300,000,000
Debentures	998,290,285	(1,000,000,000)	1,709,715	-	-

17 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade payables				
- Other parties	204,512,226	172,250,341	20,414,854	15,339,272
- Related parties (Note 28.3)	612,362	612,354	-	-
Accrued expenses				
- Other parties	33,243,324	31,154,064	9,308,753	3,351,016
- Related parties (Note 28.3)	688,051	347,838	464,681	305,819
	<u>239,055,963</u>	<u>204,364,597</u>	<u>30,188,288</u>	<u>18,996,107</u>

18 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Statement of financial position				
Post-employment benefit obligations	<u>9,220,126</u>	<u>7,505,428</u>	<u>8,099,618</u>	<u>6,824,193</u>
Profit or loss				
Post-employment benefit	<u>1,714,698</u>	<u>1,370,625</u>	<u>1,275,425</u>	<u>689,390</u>
Other comprehensive income				
Remeasurement of post-employment benefit	<u>-</u>	<u>2,658,090</u>	<u>-</u>	<u>2,658,090</u>

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	7,505,428	3,476,713	6,824,193	3,476,713
Current service cost	1,480,239	1,241,990	1,060,722	560,755
Interest expense	234,459	128,635	214,703	128,635
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>9,220,126</u>	<u>7,505,428</u>	<u>8,099,618</u>	<u>6,824,193</u>

The principal actuarial assumptions used are as follows:

	2018	2017
Discount rate	3.21%	3.21%
Salary growth rate	5.0% - 13.00%	5.0% - 13.00%
Turnover rate of employees	0.00% - 8.00%	0.00% - 8.00%

18 Employee benefit obligations (Continued)

The sensitivity analysis of the actuarial assumptions is as follows:

	Consolidated financial statements			
	Change in assumption		Impact on defined benefit obligation	
	2018	2017	Increase (decrease) in obligation	
			2018	2017
			Baht	Baht
Discount rate	Increase 1%	Increase 1%	(1,570,394)	(1,231,703)
	Decrease 1%	Decrease 1%	1,964,266	1,552,872
Salary growth rate	Increase 1%	Increase 1%	1,957,915	1,466,569
	Decrease 1%	Decrease 1%	(1,597,476)	(1,197,111)
Turnover rate of employees	Increase 20%	Increase 20%	(1,388,879)	(1,046,500)
	Decrease 20%	Decrease 20%	1,681,404	1,263,432

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 23.8 years (2017: 24.6 years).

19 Share capital

	Number of shares Shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 1 January 2017	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	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
Exercise of warrants (Note 20)	21,454	21,454	42,908	64,362
At 31 December 2018	553,559,662	553,559,662	993,170,699	1,486,730,361

As at 31 December 2018, the total number of authorised ordinary shares is 691,867,135 shares with a par value of Baht 1 per share (2017: 691,867,135 shares with a par value of Baht 1 per share). The issued shares were paid are 553,559,662 shares, total Baht 1,486,730,361 (2017: 553,538,208 shares, total Baht 1,486,665,999).

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 20).

On 15 March 2018, the Company registered with the Ministry of Commerce for the issued and paid-up ordinary share of 21,454 share at Baht 1 per share, totalling Baht 21,454. This is for warrant used (Note 20).

20 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 year ended 31 December 2018 is as follows:

	SEOIL-W Rights
Opening balance	138,328,927
Rights issued during the year	(21,454)
Exercise of warrants during the year	(138,307,473)
Closing balance	-

On 6 March 2018, 21,454 units of SEOIL-W warrant were exercised for 21,454 new ordinary shares in the total amount of Baht 64,362. The process of share registration was completed on 15 March 2018.

21 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	26,509,200	26,509,200	26,509,200	26,509,200
Appropriation during the year	-	-	-	-
At 31 December	26,509,200	29,509,200	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.

22 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.

23 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest income	2,817,223	3,666,441	10,143,269	19,003,636
Dividend income	-	-	-	17,460,274
Management fee	-	-	3,867,721	2,848,820
Compensation from insurance claim	20,079,454	-	-	-
Compensation from delay of work	7,958,055	-	-	-
Others	3,695,886	7,664,278	35,794	598,036
Total	34,550,618	11,330,719	14,046,784	39,910,766

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.

During the year 2018, Sea Oil Petrochemical Co., Ltd. received insurance compensation claim from the fire accident in 2017. The subsidiary received insurance claim for a loss of assets amount of Baht 10.14 million. The Company also received third-parties insurance claim amount of Baht 9.94 million.

24 Finance costs

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest - related party	4,856,164	5,027,883	4,856,164	5,013,698
Interest - financial institution	39,933,850	26,311,787	18,940,201	11,419,384
Interest - debentures	22,658,894	39,379,580	22,658,894	39,379,580
<u>Less</u> Cost of borrowings	<u>(9,774,903)</u>	<u>(6,619,333)</u>	<u>-</u>	<u>-</u>
	57,674,005	64,099,917	46,455,259	55,812,662

25 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Notes	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Purchase of finished goods		4,471,121,074	3,559,588,349	1,102,992,567	833,944,128
Changes in inventories		8,682,323	(36,257,411)	(1,216,654)	-
Changes in goods in transit		(3,078,344)	(917,039)	(3,078,344)	(917,039)
Direct cost for catering service on the accommodation vessel		27,492,052	95,098,273	27,492,052	95,098,273
Employee benefits expenses		90,159,931	73,792,185	57,735,109	45,897,688
Depreciation and amortisation	11, 12	21,038,119	20,106,831	809,975	674,469
Transportation expenses		32,156,710	35,087,112	15,178,958	17,423,861
Sale commission expenses		20,850,700	10,110,732	6,171,317	223,500
Loss from fire		1,149,557	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.

26 Income tax

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current tax:				
Current tax on profits for the year	3,197,337	2,975,702	-	1,132,236
Total current tax	3,197,337	2,975,702	-	1,132,236
Deferred tax:				
Origination and reversal of temporary differences	65,921	(3,257,286)	65,921	(2,052,258)
Total deferred tax	65,921	(3,257,286)	65,921	(2,052,258)
Total tax expense	3,263,258	(281,584)	65,921	(920,022)

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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit (loss) before income tax	9,113,884	(106,560,002)	(60,350,312)	(36,003,027)
Tax calculated at a tax rate of 20% (2017: 20%).	1,822,777	(21,312,000)	(12,070,062)	(7,200,605)
Effect:				
Difference of tax rates	(2,092,877)	(797,017)	-	-
Share of profit (loss) from joint venture, net of tax	(541,724)	7,330,471	-	-
Income not subject to tax	(8,169,846)	(3,350,229)	-	(3,492,055)
Expenses with double deductible for tax	(73,989)	(66,720)	(73,989)	(64,848)
Additional taxable income	9,812,827	9,812,827	9,812,827	9,812,827
Expenses not deductible for tax	2,506,090	8,906,365	2,397,145	24,659
Utilisation of previously unrecognised tax losses	-	(805,281)	-	-
Tax charged	3,263,258	(281,584)	65,921	(920,022)

The Group's and Company effective tax rates was 35.81% and 0.11%, respectively (2017 : 0.26% and 2.56%, respectively). The effective tax rate changed from the previous year as the result of income not subject to tax and expenses not deductible for tax inconsistently occurred.

27 Earnings (loss) per share

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net loss attributable to ordinary shareholders (Baht)	(754,619)	(104,553,522)	(60,416,233)	(35,083,005)
Weighted average number of ordinary shares in issue during the year (Share)	553,555,900	533,044,578	553,555,900	533,044,578
Incremental weighted average number of ordinary shares to be issued for exercising shares to be issued for the warrants	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per shares (shares)	553,555,900	533,044,578	553,555,900	533,044,578
Basic earnings per share (Baht per share)	(0.0014)	(0.1962)	(0.1091)	(0.0658)
Diluted loss per share (Baht per share)	-	-	-	-

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 year.

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 year, 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 year 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 for less than the average market price of ordinary shares during the year.

The Group's loss per share is not dilutive in case that the calculated number of equivalent shares contribute to a decrease in loss per share.

28 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 related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

28 Related party transactions (Continued)

The Company is controlled by Nathalin Company Limited (incorporated in Thailand). Nathalin Company Limited and Panboonhom family hold 45.04% and 11.53% in Company's shares, respectively. The remaining 43.43% of the shares is widely held. Significant transactions with its related parties are as follows:

28.1 Sales of goods and services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Sales of goods				
Subsidiary	-	-	23,912,246	14,789,108
Entities under common control	274,793,956	247,739,487	221,904,937	210,660,131
	<u>274,793,956</u>	<u>247,739,487</u>	<u>245,817,183</u>	<u>225,449,239</u>
Sales of services				
Entities under common control	36,284,082	24,617,049	36,284,082	24,617,049
Interest income				
Subsidiary	-	-	10,033,919	16,964,100
Dividend income				
Subsidiary	-	-	-	17,460,274
Management fee				
Subsidiary	-	-	3,867,721	2,848,820
Other income				
Subsidiary	-	-	-	2,742

Sales of goods 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.

28.2 Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of sales and transportation expense				
Parent company	172,400	156,000	-	-
Subsidiaries	-	-	5,729,391	-
Entities under common control	7,434,855	6,725,804	-	-
	<u>7,607,255</u>	<u>6,881,804</u>	<u>5,729,391</u>	<u>-</u>
Rental and service expense				
Parent company	3,768,264	2,651,315	3,768,264	2,651,315
Entities under common control	-	-	-	-
	<u>3,768,264</u>	<u>2,651,315</u>	<u>3,768,264</u>	<u>2,651,315</u>
Management fee				
Parent company	4,943,378	4,930,908	4,344,858	4,231,515
Entities under common control	341,000	30,000	341,000	30,000
	<u>5,284,378</u>	<u>4,960,908</u>	<u>4,685,858</u>	<u>4,261,515</u>
Other service expense				
Parent company	1,294,409	1,003,645	1,177,269	927,139
Entities under common control	224,427	236,875	60,000	220,375
	<u>1,518,836</u>	<u>1,240,520</u>	<u>1,237,269</u>	<u>1,147,514</u>
Finance cost				
Parent company	4,856,164	5,013,698	4,856,164	5,013,698
Entities under common control	-	14,185	-	-
	<u>4,856,164</u>	<u>5,027,883</u>	<u>4,856,164</u>	<u>5,013,698</u>

28 Related party transactions (Continued)

28.3 Outstanding balances arising from sales/purchases of goods/services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables				
Subsidiaries	-	-	3,123,967	-
Entities under common control	33,981,028	35,839,389	29,778,942	33,277,905
	<u>33,981,028</u>	<u>35,839,389</u>	<u>32,902,909</u>	<u>33,277,905</u>
Accrued income				
Entities under common control	<u>614,365</u>	<u>-</u>	<u>614,365</u>	<u>-</u>
Interest receivables				
Subsidiaries - Current	-	-	373,202	22,430,734
Subsidiaries - Non-current	-	-	99,139,637	99,139,637
	<u>-</u>	<u>-</u>	<u>99,512,839</u>	<u>121,570,371</u>
Other receivables				
Parent company	159,242	163,242	159,242	163,242
Subsidiaries	-	-	6,992,323	5,280,215
Entities under common control	-	-	-	-
	<u>159,242</u>	<u>163,242</u>	<u>7,151,565</u>	<u>5,443,457</u>
Trade payables				
Parent company	13,000	13,000	-	-
Other related parties	599,362	599,354	-	-
	<u>612,362</u>	<u>612,354</u>	<u>-</u>	<u>-</u>
Accrued expense				
Parent company	540,850	315,738	460,376	221,112
Subsidiaries	-	-	4,305	52,607
Entities under common control	147,201	32,100	-	32,100
	<u>688,051</u>	<u>347,838</u>	<u>464,681</u>	<u>305,819</u>
Non-current liabilities				
Parent company	63,860	-	-	-
Other related parties	2,788,601	-	-	-
	<u>2,852,461</u>	<u>-</u>	<u>-</u>	<u>-</u>

28 Related party transactions (Continued)

28.4 Loans to subsidiaries

The loans were made to subsidiaries as follows:

	Separate financial statements	
	2018 Baht	2017 Baht
Short-term loans	172,823,277	259,390,530
Long-term loans	1,387,880,000	1,387,880,000
	<u>1,560,703,277</u>	<u>1,647,270,530</u>

The movement of loans to subsidiaries is as follows:

	Separate financial statements	
	2018 Baht	2017 Baht
Short-term loan		
As at 1 January	259,390,530	329,642,440
Addition	175,912,000	165,000,000
Repayment - cash received	(147,412,053)	(233,985,477)
Repayment - conversion of debt to preference shares (Note 10.1)	(115,000,000)	-
Loss from exchange rate	(67,200)	-
Loss from modification of loan agreements	-	(1,266,433)
As at 31 December	<u>172,823,277</u>	<u>259,390,530</u>
Long-term loans		
As at 1 January	1,387,880,000	1,387,880,000
Addition	-	-
Repayment	-	-
As at 31 December	<u>1,387,880,000</u>	<u>1,387,880,000</u>

Short-term loans

For the year ended 31 December 2018, the movement of short-term borrowings are as follows:

- Loans made to Sea Oil Petrochemical Company Limited Baht 131.00 million, which are at call and bear interests at 5.55 % per annum.
- Loans made to Living Energy Company Limited Baht 5.00 million, which are at call and bear interest at 5.55% per annum.
- Loans made to Sea Oil Offshore Limited Baht 39.91 million, which are at call and bear interests at 5.05% per annum.
- Repayment from Sea Oil Offshore in an amount of Baht 45.23 million.
- Repayment from Sea Oil Petrochemical Company Limited in an amount of Baht 52.00 million.
- Repayment from Living Energy Company Limited in an amount of Baht 18.00 million.
- Repayment from Sea Oil Petroleum Pte. Ltd. in cash of Baht 32.24 million and conversion of debt to preference shares of Baht 115.00 million.

28 Related party transactions (Continued)

28.4 Loans to related parties (Continued)

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 loans 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 1,566.29 million (2017: Baht 1,543.83 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.

28.5 Long-term borrowing from a parent

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 years and the maturity date is on 31 August 2019. During the year, the Company partially repaid the borrowing in an amount of Baht 250.00 million.

28.6 Key management compensation

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term employee benefit	31,171,473	30,453,861	23,607,493	22,717,676
Post-employee benefit	708,634	413,933	708,634	413,933
	31,880,107	30,867,794	24,316,127	23,131,609

28.7 Guarantee

The Company engages in letter of guarantees to Sea Oil Offshore Limited for purchase agreement of petroleum product as follows:

Guaranteed amount not exceed Baht 30 million for 10 years ended 14 June 2025.

Guaranteed amount not exceed USD 0.70 million for 3 years ended 15 November 2019.

Guaranteed amount not exceed USD 0.65 million for 3 years ended 10 February 2020.

On 9 August 2017, the Company engaged in letter of guarantee for long-term borrowing from a financial institution of Sea Oil Petrochemical Company Limited in an amount of Baht 60.00 million (Note 15.2.1).

On 7 December 2018, the Company and Nathalin Company Limited engaged in letter of guarantee for credit facility from a financial institution of Sea Oil Petrochemical Company Limited in an amount of Baht 100.00 million.

29 Commitments and contingent liabilities

29.1 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Property, plant and equipment	-	20,223,200	-	-
	-	20,223,200	-	-

29.2 Operating lease commitment

The Group has 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Within 1 year	15,671,851	19,284,169	4,315,739	5,174,727
1 to 5 years	42,005,417	47,493,163	3,277,279	7,453,551
More than 5 years	167,468,026	179,528,218	-	-
	225,145,294	246,305,550	7,593,018	12,628,278

29.3 Bank guarantees and letter of credit

The Group has letters of guarantee and letter of credit issued by banks as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Guarantee for purchase of oil from Suppliers	67,029,980	73,343,720	67,029,980	67,343,720
Guarantee for electricity used	320,000	320,000	-	-
Letter of credit	-	69,709,256	-	-
	67,349,980	143,372,976	67,029,980	67,343,720

29.4 Litigation

- 1) On 14 November 2018, Sea Oil Petrochemical Company Limited was sued under the Labor Lawsuit by a former employee of this subsidiary to claim for compensation from injury while working during the fire incident occurred in the year 2017 for Baht 8.34 million.
- 2) On 28 November 2018, Sea Oil Petrochemical Company Limited together with the 2 insurance companies (joint defendants) was sued under Civil Lawsuit by an insurance company (plaintiff) to claim for damage occurred to the car insured with the Plaintiff from the fire incident occurred in the year 2017 for Baht 9.58 million. The insurance companies that are joint defendants had made claim payment to the Company and the Company has already released such claim payment to the car's owner.

The Group's management believes that there will not be a material impact from these litigation cases, therefore, the Group has not recorded provision for liability in the financial statements.

General Information & Other Significant Information

General Information

Company Name : Sea Oil Public Company Limited

Head Office : 88 Soi Bangna-Trad 30, Bangna-Trad Road, Bangna, Bangkok 10260, Thailand

Type of Business : The Company has 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 : 553,559,662 Baht, divided into 553,559,662 Ordinary Shares, 1 Baht each

(As of December 31, 2018)

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 SEA OIL due in 2020, amount of 600 million baht, offering for sale in February 2018.)

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 One, Singapore 038985
Type of Business : Marine Fuel and Lubricants Supplier in Singapore
Registered Capital : 5,400,000 US Dollar, divided into 1,000,000 Ordinary Shares, 1 US Dollar each and 4,400,000 Preferred Shares.
Paid-up Capital : 5,400,000 US Dollar, divided into 1,000,000 Ordinary Shares, 1 US Dollar each and 4,400,000 Preferred Shares.

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 : 204,000,000 Baht, divided into 2,040,000 Ordinary Shares, 100 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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