



LTR.SEA 008/2024

21 February 2024

Subject: Management Discussion and Analysis for the year ended 31 December 2023

ATTN: The Director and Manager  
The Stock Exchange of Thailand

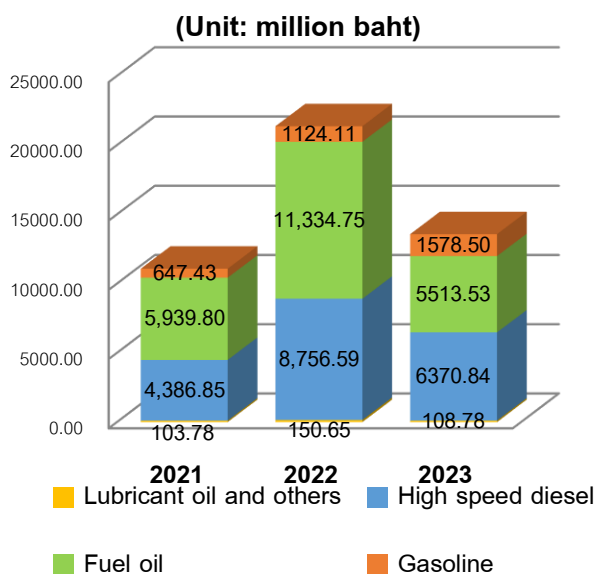
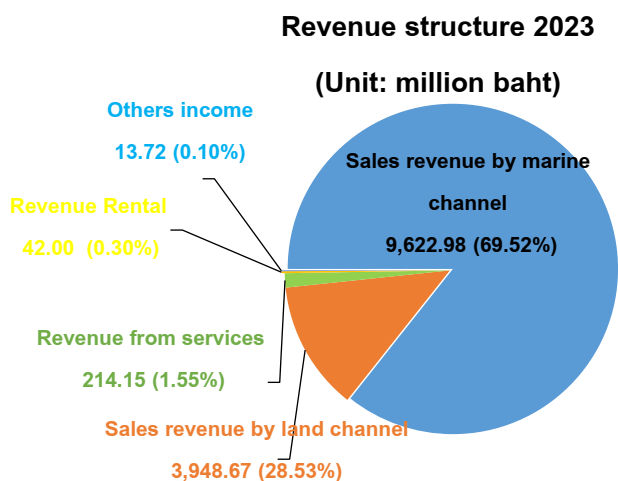
Sea Oil Public Company Limited (the “Company”) would like to clarify operating results of the Company and subsidiaries for the year ended 31 December 2023 as follow:

Unit: Million Baht

Statement of Comprehensive Income (Unit: Million Baht)	Consolidated financial statements			Separate financial statements		
	2023	2022	% Increase / (Decrease)	2023	2022	% Increase /(Decrease)
Revenue from sales services and rental	13,827.80	21,694.08	(36.26)	3,393.44	3,233.11	4.96
<b>Gross Profit</b>	<b>417.58</b>	<b>387.24</b>	<b>7.83</b>	<b>205.47</b>	<b>64.37</b>	<b>219.20</b>
Other Income	13.72	16.99	(19.25)	166.16	135.41	22.71
Selling and Administrative Expenses	(299.44)	(366.46)	(18.29)	(162.80)	(154.34)	5.48
(Loss on) Reversal of impairment of financial assets	(18.68)	(9.70)	92.58	(11.12)	6.87	261.86
Finance costs	(12.53)	(22.21)	(43.58)	(1.17)	(6.45)	(81.86)
Share of profit from a joint venture	263.76	422.29	(37.54)	-	-	-
<b>Profit for the year</b>	<b>342.78</b>	<b>450.16</b>	<b>(23.85)</b>	<b>190.60</b>	<b>45.72</b>	<b>316.89</b>
<b>Profit (loss) attributable to:</b>						
<b>Owners of the Company</b>	<b>346.84</b>	<b>440.60</b>	<b>(21.28)</b>	<b>190.60</b>	<b>45.72</b>	<b>316.89</b>
Non-controlling interests	(4.06)	9.56	(142.47)	-	-	-

## Overview of the Business Operation of the year ended 31 December 2023

### Revenue from sales by products 2021-2023



### The Statement of Comprehensive Income

The Company and its subsidiaries had a net profit of Baht 342.78 million, a decrease of 23.85%, compared to the previous year which consisted of the net profit of owners of the Company of Baht 346.84 million and net loss of non-controlling interests of Baht 4.06 million. The main reasons were as follows:

#### Share of Profit from a Joint Venture

The Company and its subsidiaries recognized shares of profit from the joint venture, Pan Orient Energy (Siam) Limited, of Baht 263.76 million, decreased by 37.54% compared to the previous year. Due to the decrease in world crude oil price compared to 2022 which causes a decrease in revenue from crude oil sales.

The average Brent crude oil price in 2023 is about \$82 per barrel, decreased 19% compared to the previous year, which averaged about \$101 per barrel.

#### Revenue

The Company and its subsidiaries had total revenue from sales, services and rental income of Baht 13,827.80 million, which decreased by 36.26%, compared to the previous year, resulting from the decrease in oil trading revenue and volume with overseas customer groups. However, revenue and domestic oil trading volume in 2023 increased by 75% and 52%, respectively compared to the previous year, including the decrease of world crude oil price compared to the previous year, and the decrease in catering & service revenue by 50.37% compared of the previous year due to the three of catering & service contracts expired.

### **Gross profit**

The Company and its subsidiaries had a total Gross profit of Baht 417.58 million, which increased by 7.83% compared to the previous year mainly due to gross profit from oil sales, because this year demand from CLMV market increased but the supply decreased from the shutdown of the oil refinery and the company can manage cost of services in Catering business better compared to the previous year.

### **Selling and Administrative Expenses**

The Company and its subsidiaries had selling and administrative expenses of Baht 299.44 million, decreased of 18.29% compared to the previous year mainly due to the decrease in marketing expenses, and employee expenses from the overseas subsidiary.

### **Finance costs**

The Company and its subsidiaries had finance costs of Baht 12.53 million decreased by 43.58% compared to the previous year due to the decrease in interest expense from repayment short-term borrowings to financial institutions reduces interest expenses.

### **Separate financial statements**

The Company had a net profit of Baht 190.60 million, increased by 316.89%, compared to the previous year The main reasons were as follows:

#### **Revenue**

The Company had revenue from sales of Baht 3,179.29 million, or an increase of 8.50%, compared to the previous year, mainly resulting both in land and marine customers from the increase of oil trading volume by 24.34% compared to the previous year.

The Company had revenues from Catering & Services of Baht 214.15 million or decreased by 29.27% due to the three of catering & service contracts expired.

#### **Gross profit**

The Company and its subsidiaries had a total Gross profit of Baht 205.47 million, increased 219.20%, compared to the previous year due to the increase of gross profit of oil trading form marine customer in oil trading volume including the company can manage cost of services in Catering business better compared to the previous year.

#### **Other Income**

The Company had other Income of Baht 166.16 million, increased 22.71% compared to the previous year compared to the previous year, mainly from dividend income of oversea and domestic subsidiaries.

### Selling and Administrative Expenses

The Company had selling and administrative expenses of Baht 162.80 million increased by 5.48% compared to the previous year from freight expenses, and employees expense for business expansion.

### Finance costs

The Company had finance costs of Baht 1.17 million decreased by 81.86% compared to the previous year because of decrease in interest expense from repayment short-term borrowings to financial institutions.

### Statement of Financial Position

Statement of Financial Position (Unit: Million Baht)	Consolidated financial statements			Separate financial statements		
	2023	2022	(Unit: Million Baht)	2023	2022	(Unit: Million Baht)
Current assets	1,889.26	2,384.83	(20.78)	1,382.59	1,131.20	22.22
Non-current assets	1,207.78	1,179.32	2.41	860.15	998.09	(13.82)
<b>Total assets</b>	<b>3,097.04</b>	<b>3,564.15</b>	<b>(13.11)</b>	<b>2,242.74</b>	<b>2,129.29</b>	<b>5.33</b>
Current liabilities	630.46	1,412.83	(55.38)	320.43	397.47	(19.38)
Non-current liabilities	30.60	30.05	1.83	25.99	20.96	24.00
<b>Total liabilities</b>	<b>661.06</b>	<b>1,442.88</b>	<b>(54.18)</b>	<b>346.42</b>	<b>418.43</b>	<b>(17.21)</b>
Equity attributable to owners of the Company	2,435.97	2,097.54	16.13	1,896.32	1,710.86	10.84
Non-controlling interests	0.01	23.73	(99.96)	-	-	
<b>Total equity</b>	<b>2,435.98</b>	<b>2,121.27</b>	<b>14.84</b>	<b>1,896.32</b>	<b>1,710.86</b>	<b>10.84</b>

### Assets

The Company and its subsidiaries had total assets of Baht 3,097.04 million, decreased of 467.55 million or 13.11% compared to the end of year 2022, due to Current assets decrease at the amount of 495.57 million or 20.78%, from trade and other receivables of the Company and overseas subsidiary.

### Liabilities

The Company and its subsidiaries had total liabilities of Bah 661.06 million, decreased by 781.82 million or 54.18 % compared to ended of 2022 due to decrease in Current liabilities from trade payable and decrease of interest expense from repayment short-term borrowings to financial institutions.

### Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries of Baht 2,435.98 million, consisting of the owners of the company of Baht 2,435.97 million and non-controlling interests of Baht 0.01 million. The total shareholders' equity increased from ended of 2022 to Baht 314.71 million or 14.84 % from the total increase of comprehensive income of the year.

Please be informed accordingly,

Sincerely Yours,

(Miss Neeracha Panboonhom)

President and Chief Executive Officer