

SEA OIL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2017

Independent Auditor's Report

To the shareholders of Sea Oil Public Company Limited

My opinion

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

What I have audited

The consolidated financial statements and the separate financial statements comprise:

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

Basis for opinion

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

Key audit matters

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

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

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

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

Sea Oil Public Company Limited

Statement of Financial Position

As at 31 December 2017

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

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

Sea Oil Public Company Limited

Statement of Financial Position

As at 31 December 2017

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

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

Sea Oil Public Company Limited

Statement of Financial Position

As at 31 December 2017

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

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

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

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

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

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

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

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

Sea Oil Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements												
	Attributable to owners of the parent						Non-controlling interests					
				Retained earnings		Other components of equity						
	Issued and paid-up share capital	Share under common premium	Shortage arising from business combination control	Appropriated - legal reserve	Unappropriated	Translation of financial statements	Total other components of equity	Equity attributable to owners of the parent	Other owners' interest arising from business combination control	Other non-controlling interests	Total	Total equity
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2016												
- previously reported	359,993,848	581,868,371	-	23,295,000	113,502,740	28,011	28,011	1,078,687,970	-	-	-	1,078,687,970
Impact of business combination under common control	11	-	-	-	-	-	-	-	61,865,740	-	61,865,740	61,865,740
Opening balance as at 1 January 2016 - restated	359,993,848	581,868,371	-	23,295,000	113,502,740	28,011	28,011	1,078,687,970	61,865,740	-	61,865,740	1,140,553,710
Changes in equity for the year												
Increase in share capital	20	55,126,433	74,423,566	-	-	-	-	129,549,999	-	-	-	129,549,999
Legal reserve	22	-	-	-	3,214,200	(3,214,200)	-	-	-	-	-	-
Dividend	23	-	-	-	-	(39,997,126)	-	(39,997,126)	-	-	-	(39,997,126)
Total comprehensive income for the year		-	-	-	(23,981,411)	(184,375)	(184,375)	(24,165,786)	18,563,543	760,781	19,324,324	(4,841,462)
Increase in share capital of a subsidiary		-	-	-	-	-	-	-	30,550,000	8,992,500	39,542,500	39,542,500
Decrease of ownership interest in a subsidiary to non-controlling interests		-	-	-	-	2,175,815	89,522	89,522	2,265,337	(2,265,337)	(2,265,337)	-
Closing balance as at 31 December 2016	415,120,281	656,291,937	-	26,509,200	48,485,818	(66,842)	(66,842)	1,146,340,394	110,979,283	7,487,944	118,467,227	1,264,807,621

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

Sea Oil Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements												
	Attributable to owners of the parent						Non-controlling interests					
			Shortage arising from business combination	Retained earnings		Other components of equity			Equity attributable to owners of the parent	Other owners' interest arising from business combination	Other non-controlling interests	Total
	Issued and paid-up share capital	Share under common premium	control	Appropriated	Unappropriated	Translation of financial statements	Total other components of equity			control	interests	Total
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2017												
- previously reported												
Impact of business combination under common control												
11	415,120,281	656,291,937	-	26,509,200	48,485,818	(66,842)	(66,842)	1,146,340,394	-	7,487,944	7,487,944	1,153,828,338
11	-	-	-	-	-	-	-	-	110,979,283	-	110,979,283	110,979,283
Opening balance as at 1 January 2017 - restated												
	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												
20	138,373,427	276,746,854	-	-	-	-	-	415,120,281	-	-	-	415,120,281
21	44,500	89,000	-	-	-	-	-	133,500	-	-	-	133,500
23	-	-	-	-	(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												
11	-	-	(74,049,938)	-	-	-	-	(74,049,938)	(113,950,062)	-	(113,950,062)	(188,000,000)
Closing balance as at 31 December 2017												
	<u>553,538,208</u>	<u>933,127,791</u>	<u>(74,049,938)</u>	<u>26,509,200</u>	<u>(85,867,861)</u>	<u>(2,292,225)</u>	<u>(2,292,225)</u>	<u>1,350,965,175</u>	<u>-</u>	<u>2,334,102</u>	<u>2,334,102</u>	<u>1,353,299,277</u>

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

Sea Oil Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2017

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

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

Sea Oil Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2017

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

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

Sea Oil Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2017

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

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

Sea Oil Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Net decrease in					
cash and cash equivalents		(96,787,356)	(87,858,419)	(71,808,437)	(162,132,508)
Cash and cash equivalents at the beginning of the year		259,685,631	348,134,367	138,038,928	297,892,000
Exchange gains (losses) on cash and cash equivalents		9,008,105	(590,317)	(3,594,479)	2,279,436
Cash and cash equivalents at the end of the year	7	<u>171,906,380</u>	<u>259,685,631</u>	<u>62,636,012</u>	<u>138,038,928</u>
Supplementary information for cash flows					
Non-cash transactions:					
Acquisition of investment in a subsidiary by issuance of ordinary shares		-	-	-	93,554,000
Acquisition of assets by issuance of ordinary shares		-	93,554,000	-	-
Stock dividend	23	-	35,995,999	-	35,995,999
Purchase of equipment on payable		4,295,979	17,661,206	-	-

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

1 General information

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

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

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

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

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

Company	Incorporated country	Nature of business	Investment portion (%)
Subsidiaries			
Sea Oil Energy Limited	Islands of Bermuda	Holding Company	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 (formerly Nakornchai Prakarn Chemical Product Company Limited)	Thailand	Production and retail sale of solvent and related products	99.99
Living Energy Company Limited	Thailand	Holding company	99.99
Indirect subsidiaries (held by Living Energy Company Limited)			
NW Solar Company Limited	Thailand	Solar power plant	99.99
NW Green Power Company Limited	Thailand	Solar power plant	99.99
NW Energy Company Limited	Thailand	Solar power plant	99.99
Sky Solar Roof Company Limited	Thailand	Solar power plant	99.99
Sky Solar Power Company Limited	Thailand	Solar power plant	99.99
Solar Town Company Limited	Thailand	Solar power plant	99.99
Sunny Solar Company Limited	Thailand	Solar power plant	99.99
Sun Link Power Company Limited	Thailand	Solar power plant	99.99
Reenergy Solar Company Limited	Thailand	Management service for solar power plant	99.99
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 23 February 2018.

2 Accounting policies

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

2.1 Basis of preparation of financial statements

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

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

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

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

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

2.2 Revised financial reporting standards

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

TAS 27 (revised 2016) Separate financial statements

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

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards (Cont'd)

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

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.3 Investments in subsidiaries and a joint venture

2.3.1 Subsidiaries

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

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

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

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

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

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

2.3.2 Transactions with non-controlling interests

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

2.3.3 Disposal of subsidiaries

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

2 Accounting policies (Cont'd)

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

2.3.4 Business combination under common control

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

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly 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.

2.3.5 Joint arrangements

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

Joint operation

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

Joint venture

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

2.3.6 Accounting under equity method

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

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

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

2 Accounting policies (Cont'd)

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

2.3.6 Accounting under equity method (Cont'd)

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

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

2.3.7 Separate financial statements

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

2.4 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

(c) Group companies

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

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

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

2.5 Cash and cash equivalents

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

2 Accounting policies (Cont'd)

2.6 Trade accounts receivable

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

2.7 Inventories

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

2.8 General investments

General investments are investments in non-marketable equity securities.

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

General investments are carried at cost less impairment loss.

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

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

2.9 Property, plant and equipment

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

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.10 Intangible assets

Computer software

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

2.11 Impairment of assets

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

2.12 Leases - where a Group company is the lessee

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

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

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

2.13 Borrowings

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.14 Deferred income taxes

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

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

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

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

2.15 Employee benefits

(a) Short-term benefits

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

(b) Retirement benefits

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

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

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

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

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

2 Accounting policies (Cont'd)

2.16 Share-based payment

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

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

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

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

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

2.18 Share capital

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

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

2.19 Revenue recognition

(a) Revenue from sales and services

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

(b) Other income

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

Interest income is recognised using the effective interest method.

Other income is recognised on an accrual basis.

2 Accounting policies (Cont'd)

2.20 Dividend distribution

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

2.21 Segment reporting

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

3 Financial risk management

3.1 Financial risk management

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

(a) Foreign exchange risk

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

(b) Interest rate risk

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

(c) Credit risk

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

(d) Liquidity risk

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

3.2 Accounting for derivative financial instruments and hedging activities

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

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

3 Financial risk management (Cont'd)

3.3 Fair value estimation

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

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

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

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

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

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

4 Critical accounting estimates, judgments and assumptions

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

(a) Allowance for doubtful accounts

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

(b) Impairment of investments in subsidiaries and joint ventures

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

(c) Retirement benefits

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

5 Capital risk management

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

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

6 Segment information

Segment information is presented in respect of the Group's business segments.

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

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

The Group operates in 5 operating segments as follows;

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

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

6 Segment information (Cont'd)

Operating segment information is as follows:

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

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

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

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

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

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6 Segment information (Cont'd)

Geographic information

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

	For the year ended 31 December 2017										Total
	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	-	-	-	3,816,021,122
Segment operating profit (loss)	44,287,477	51,792,400	1,135,997	-	8,278,966	-	24,879,034	-	(28,053,639)	-	102,320,235
	For the year ended 31 December 2016										
	Segment A		Segment B		Segment C		Segment D		Segment E		
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Total
Revenue from sales and services	1,072,463,933	2,365,992,389	162,501,169	-	186,492,670	-	67,245,614	-	-	-	3,854,695,775
Segment operating profit (loss)	121,653,412	53,999,946	(2,747,732)	-	7,795,569	-	18,565,916	-	(1,631,934)	-	197,635,177

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

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7 Cash and cash equivalents

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

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

8 Trade and other receivables, net

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

The age analysis of the trade receivables is as follows:

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

9 Inventories

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

10 Investments in subsidiaries and interests in joint venture

10.1 Investments in subsidiaries

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

The investments in subsidiaries are as follows:

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

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

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

10.1 Investments in subsidiaries (Cont'd)

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

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

Movement in the investment in subsidiaries is as follows:

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

Sea Oil Petrochemical Company Limited

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

Living Energy Company Limited

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

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

10.2 Investment in a joint venture

Investment in a joint venture is as follows:

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

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

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

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

10.2 Investment in a joint venture (Cont'd)

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

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

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

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

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

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

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

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

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

10.2 Investment in a joint venture (Cont'd)

Statement of comprehensive income for the year ended
31 December

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

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

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

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

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

11 Business combination under common control

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

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

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

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

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

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

11 Business combination under common control (Cont'd)

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

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

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

11 Business combination under common control (Cont'd)

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

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

11 Business combination under common control (Cont'd)

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

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

11 Business combination under common control (Cont'd)

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

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

12 General investment - a related party

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

Sea Oil Public Company Limited
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For the year ended 31 December 2017

13 Property, plant and equipment, net

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

Sea Oil Public Company Limited
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13 Property, plant and equipment, net Cont'd)

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

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

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

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

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

14 Intangible assets - net

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

15 Deferred income tax

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

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

The movement of deferred income tax is as follows:

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

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

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

15 Deferred income tax (Cont'd)

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

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

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

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

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

16 Other non-current assets

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

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

17 Borrowings

17.1 Short-term borrowings

Borrowings of the Group and the Company are as follows:

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

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

17 Borrowings (Cont'd)

17.1 Short-term borrowings (Cont'd)

Borrowings of the Group and the Company are as follows:

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

17.1.1 Promissory notes

The Company

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

Subsidiaries

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

17.1.2 Bills of exchange

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

17 Borrowings (Cont'd)

17.2 Long-term borrowings

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

Movement of long-term borrowings is as follows:

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

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

17 Borrowings (Cont'd)

17.2 Long-term borrowings (Cont'd)

17.2.1 Long-term borrowings from a financial institution

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

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

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

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

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

17.2.2 Debentures

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

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

17 Borrowings (Cont'd)

Fair value

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

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

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

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

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

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

The Group has outstanding unused credit facilities as follows:

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

18 Trade accounts payable and other payable

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

19 Employee benefit obligations

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

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

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

The principal actuarial assumptions used are as follows:

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

19 Employee benefit obligations (Cont'd)

The sensitivity analysis of the actuarial assumptions is as follows:

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

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

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

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

20 Share capital

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

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

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

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

21 Warrants to purchase ordinary shares

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

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

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

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

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

22 Legal reserve

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

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

23 Dividend distribution

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

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

24 Other income

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

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

25 Finance costs

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

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26 Expenses by nature

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

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

27 Income tax

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

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

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

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

28 Earnings (loss) per share

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

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

The Company paid stock dividend in 2016, therefore the Company adjusted the weighted average number of ordinary shares which held by shareholders of the year 2015 as if the event had occurred since the year 2015.

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

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of ordinary shares used in calculation of basic earnings (loss) per share to assumed conversion of all dilutive potential ordinary shares. During the period, the Company has dilutive potential ordinary shares arising from issuance of warrants to purchase ordinary shares. The calculation is made to determine the number of shares that could have been acquired at fair value as determined from the average market price of the Company's shares for the period based on the monetary value of the exercise rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. The warrants are dilutive when they would result in the issue of ordinary shares less than the average market price of ordinary shares during the period.

The earnings (loss) per share as presented in the comparative period of the consolidated financial statements is not affected by the business combination under common control.

29 Related-party transactions

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

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

The Company is controlled by Nathalin Company Limited (incorporated in Thailand), which owns 45.05% of the Company's shares. The remaining 54.95% of the shares is widely held. Significant transactions with Nathalin Company Limited and its related parties are as follows:

29.1 Sales of goods and services

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Sales of goods				
Subsidiary	-	-	14,789,108	22,976,174
Entities under common control	247,739,487	224,789,035	210,660,131	177,565,037
	<u>247,739,487</u>	<u>224,789,035</u>	<u>225,449,239</u>	<u>200,541,211</u>
Sales of services				
Entities under common control	24,617,049	30,872,957	24,617,049	30,872,957
Interest income				
Subsidiary	-	-	16,964,100	61,798,277
Entities under common control	-	88,000	-	-
	<u>-</u>	<u>88,000</u>	<u>16,964,100</u>	<u>61,798,277</u>
Dividend income				
Subsidiary	-	-	17,460,274	-
Management fee				
Subsidiary	-	-	2,848,820	2,343,872
Other income				
Subsidiary	-	-	2,742	-

Sales of oil trading are carried out on commercial terms and conditions.

Sales of service for catering and other services are carried in accordance to the service agreement.

Interest income is determined to conform to the interest rate of borrowings from financial institutions and the Company's debentures.

29 Related-party transactions (Cont'd)

29.2 Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Purchase of goods				
Entities under common control	6,881,804	11,946,371	-	2,597,746
Rental and service expense				
Entities under common control	2,651,315	2,382,396	2,651,315	2,382,396
Management fee				
Entities under common control	4,960,908	3,435,784	4,261,515	2,743,440
Other service expense				
Entities under common control	1,240,520	846,819	1,147,514	846,819
Finance cost				
Entities under common control	5,027,883	289,641	-	-

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables				
Entities under common control	35,839,389	33,720,598	33,277,905	40,455,981
Accrued interest income				
Subsidiaries - Current	-	-	22,430,734	9,750,565
Subsidiaries - Non-current	-	-	99,139,637	99,139,637
	-	-	121,570,371	108,890,202
Other receivables				
Subsidiaries	-	-	5,280,215	2,721,407
Entities under common control	163,242	95,810	163,242	95,810
	163,242	95,810	5,443,457	2,817,217
Trade payables				
Entities under common control	612,354	612,639	-	-
Accrued expense				
Subsidiaries	-	-	52,607	60,729
Entities under common control	347,838	394,333	253,212	336,930
	347,838	394,333	305,819	397,659

29 Related-party transactions (Cont'd)

29.4 Loans to subsidiaries

The loans were made to subsidiaries as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term loans	-	-	259,390,530	329,642,440
Long-term loans	-	-	1,387,880,000	1,387,880,000
	-	-	1,647,270,530	1,717,522,440

The movement of loans to subsidiaries is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term loan				
Opening balance	-	5,220,000	329,642,440	-
Addition	-	-	165,000,000	399,716,007
Repayment	-	(5,220,000)	(233,985,477)	(69,119,400)
Loss from exchange rate	-	-	-	(954,167)
Loss from modification of loan agreements	-	-	(1,266,433)	-
Ending balance	-	-	259,390,530	329,642,440
Long-term loans				
Opening balance	-	-	1,387,880,000	1,387,880,000
Addition	-	-	-	-
Repayment	-	-	-	-
Ending balance	-	-	1,387,880,000	1,387,880,000

Short-term loans

For the year ended 31 December 2017, the addition and the repayment of loans to subsidiaries are as follows:

- Loans made to Sea Oil Petrochemical Company Limited Baht 152.00 million, which are at call and bear interests at 1.55% - 5.65% per annum. The loans were partially repaid in an amount of Baht 60.00 million.
- Loans made to Living Energy Company Limited Baht 13.00 million, which are at call and bear interest at 5.55% per annum.
- Repayment from Sea Oil Offshore Limited in an amount of Baht 53.99 million.
- Repayment from Sea Oil Petroleum Pte. Ltd. in an amount of Baht 120.00 million.

On 22 March 2017, the Company modified the loan agreements as details below:

- For the loan agreement to Sea Oil Offshore Ltd. USD 1.70 million, the principal shall be converted into the sum amount of Baht 61.13 million, using the exchange rate at the initial borrowing date.
- For the loan agreement to Sea Oil Petroleum Pte. Ltd. USD 7.50 million, the principal shall be converted into the sum amount of Baht 267.25 million, using the exchange rate at the initial borrowing date.

The modified agreements are retrospectively effective from 1 January 2017. The Company recognised loss from modification of loan agreements of Baht 1.27 million in profit and loss.

29 Related-party transactions (Cont'd)

29.4 Loans to related parties (Cont'd)

Long-term loans

The long-term loans are loans to Sea Oil Energy Limited at Baht 1,387.88 million for the purpose to acquire Pan Orient Energy (Siam) Limited. The interest rates are at 1.55% - 5.65% per annum and the repayment term is within 5 years. The Company has ceased to recognise interest income from 1 January 2017, onwards.

The fair value of such loans was Baht 1,543.83 million (2016: Baht 1,573.80 million), determined in level 2 of fair value (Note 3.3), calculated by discounted cash flow model based on yield curve of risk-free bond plus risk premium in relevance with the Group's credit rating as disclosed by the Thai Bond Market Association.

29.5 Short-term borrowing from a related party

The short-term borrowing is borrowing from United Tanker Co., Ltd. (the company under common control) of Baht 0.60 million. The borrower is Sky Solar Power Co., Ltd. (the company is in the Solar Group). The interest rate is at MOR-BBL per month and the repayment term is at call. The borrowing was fully repaid during the period.

29.6 Long-term borrowing from a parent

Long-term borrowing of Baht 300.00 million was made with Nathalin Co., Ltd. on 1 September 2017. The borrowing bears interest at the rate of 5% per annum. The repayment term is within 2 year and the maturity date is on 31 August 2019. The borrowing was made for a debenture redemption in the third quarter of 2017 (Note 17.2.2).

29.7 Key management compensation

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term employee benefit	30,453,861	27,651,809	22,717,676	19,451,876
Post-employee benefit	413,933	340,290	413,933	340,290
	<u>30,867,794</u>	<u>27,992,099</u>	<u>23,131,609</u>	<u>19,792,166</u>

29.8 Guarantee

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

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

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

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

On 9 August 2017, the Company engaged in letter of guarantee for borrowing from a financial institution of Sea Oil Petrochemical Company Limited in an amount of Baht 60.00 million (Note 17.2.1).

On 23 August 2017, Nathalin Co., Ltd. pledged 100 million common shares holding in Prima Marine Public Company Limited (the company under common control) as collateral for the Company's bills of exchange of Baht 400.00 million (Note 17.1.2).

30 Commitments and contingent liabilities

30.1 Capital commitment

Capital commitment as at the statement of financial position date which is not recognised in the financial statement is as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Property, plant and equipment	20,223,200	70,210,257	-	-
	<u>20,223,200</u>	<u>70,210,257</u>	<u>-</u>	<u>-</u>

30.2 Operating lease commitment

The Group had the future aggregate minimum lease payments in respect of the lease of building and office equipment under non-cancellable operating leases contracts are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Within 1 year	19,284,169	15,463,975	5,174,727	2,931,570
1 to 5 years	47,493,163	40,807,427	7,453,551	2,980,383
More than 5 years	179,528,218	189,179,083	-	-
	<u>246,305,550</u>	<u>245,450,485</u>	<u>12,628,278</u>	<u>5,911,953</u>

30.3 Bank guarantees

As at 31 December 2017 and 2016, the Group had letters of guarantee issued by banks as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2017 Baht	31 December 2016 Baht	31 December 2017 Baht	31 December 2016 Baht
Guarantee for purchase of oil from Suppliers	73,343,720	71,603,375	67,343,720	71,603,375
Guarantee for performance of the catering service agreement	-	63,659,125	-	63,659,125
Guarantee for electricity used	320,000	-	-	-
Letter of credit	69,709,256	-	-	-
	<u>143,372,976</u>	<u>135,262,500</u>	<u>67,343,720</u>	<u>135,262,500</u>

31 Events after the reporting period

On 23 February 2018, the Company offered debentures, with the value of Baht 400.00 million for a private placement to institutional investors or high net worth investors. The debentures bear interest at a fixed rate at 5.90% per annum, and will be redeemed on 23 February 2020.