

SEA OIL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

Independent Auditor's Report

To the shareholders of Sea Oil Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Sea Oil Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Assessment of the recoverable amount of investment in a joint venture</p> <p>As at 31 December 2018, the Group has an investment in a company classified as joint venture. It is presented in the consolidated financial statements at Baht 1,268.40 million representing 46.22% of total assets. The joint venture operates in exploration, development and the production of petroleum and natural gas. The joint venture is affected by a decrease in oil prices and incurred operating loss. These factors are indications that investment in the joint venture may be impaired. The Group, therefore, tests impairment of the investment.</p> <p>The management assessed the recoverable amount of investment in the joint venture by the calculation of value in use which involves an estimate of the future cash flows.</p> <p>An assessment of the recoverable amount of investment in the joint venture is determined to be a key audit matter because the amount of that investment is material to the financial statements. The recoverable amount depends on assumptions which involve significant management judgements, such as an estimate of the future cash flows the Group expects to derive from the investment, expectations about possible variations in the amount or timing of future cash flows, the time value of money, and the appropriate discount rates. The key assumptions of the estimate of the future cash flows are the petroleum reserves and the petroleum resources, oil prices and discount rates.</p>	<p>I tested the calculation of value in use prepared by management. I inquired management about future production plans. I tested the reasonableness of an estimate of the future cash flows by testing the assumptions as follows:</p> <ul style="list-style-type: none"> • compared the forecast operating results against actual historical data. • compared the petroleum reserves and the petroleum resources with a report of the management experts. • checked the future oil prices which management used with market information. • analysed whether costs and expenses were in line with sales and consistent with actual historical amounts. • used my firm's valuation expert to evaluate the discount rates applied in the cash flows model. • performed a sensitivity analysis on key assumptions. <p>I also assessed the knowledge of the management experts who provided information about the petroleum reserves, the petroleum resources and oil prices.</p> <p>Based on the procedures above, I found that the assumptions used by the management in the assessment of the recoverable amount of investment in the joint venture were reasonable.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Sukhumaporn Wong-ariyaporn
Certified Public Accountant (Thailand) No. 4843
Bangkok
26 February 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consolidated financial statements												

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

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

Consolidated financial statements												
Attributable to owners of the parent							Non-controlling interests					
Note	Issued and paid-up share capital Baht	Share premium Baht	Shortage arising from business combination under common control Baht	Retained earnings		Other components of equity		Equity attributable to owners of the parent Baht	Other owners' interest arising from business combination under common control Baht	Other non-controlling interests Baht	Total Baht	Total equity Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	Translation of financial statements Baht	Total other components of equity Baht					
Opening balance as at 1 January 2018	553,538,208	933,127,791	(74,049,938)	26,509,200	(85,867,861)	(2,292,225)	(2,292,225)	1,350,965,175	-	2,334,102	2,334,102	1,353,299,277
Changes in equity for the year												
Exercise of warrants	19	21,454	42,908	-	-	-	-	64,362	-	-		64,362
Total comprehensive income for the year		-	-	-	(754,619)	(3,622,704)	(3,622,704)	(4,377,323)	-	5,407,965	5,407,965	1,030,642
Closing balance as at 31 December 2018	553,559,662	933,170,699	(74,049,938)	26,509,200	(86,622,480)	(5,914,929)	(5,914,929)	1,346,652,214	-	7,742,067	7,742,067	1,354,394,281

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

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

		Separate financial statements				
		Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Total equity Baht
Notes				Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 January 2017		415,120,281	656,291,937	26,509,200	235,671,390	1,333,592,808
Changes in equity for the year						
Increase in share capital	19	138,373,427	276,746,854	-	-	415,120,281
Exercise of warrants	19	44,500	89,000			133,500
Dividend paid	22	-	-	-	(27,673,685)	(27,673,685)
Total comprehensive income for the year		-	-	-	(37,209,477)	(37,209,477)
Closing balance as at 31 December 2017		553,538,208	933,127,791	26,509,200	170,788,228	1,683,963,427
Opening balance as at 1 January 2018		553,538,208	933,127,791	26,509,200	170,788,228	1,683,963,427
Changes in equity for the year						
Exercise of warrants	19	21,454	42,908	-	-	64,362
Total comprehensive income for the year		-	-	-	(60,416,233)	(60,416,233)
Closing balance as at 31 December 2018		553,559,662	933,170,699	26,509,200	110,371,995	1,623,611,556

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

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

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

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

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

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

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

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

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

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

1 General information

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

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

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

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

Detail of the Company's subsidiaries and a joint venture as at 31 December 2018 is as follows:

Company	Incorporated country	Nature of business	Holding interest in ordinary shares (%)
Subsidiaries			
Sea Oil Energy Limited	Islands of Bermuda	Holding Company	100.00
Sea Oil Offshore Limited	Malaysia	Retail sale of fuel oil and related products	100.00
Sea Oil Petroleum Pte. Ltd.	Singapore	Retail sale of fuel oil and related products	75.00
Sea Oil Petrochemical Company Limited	Thailand	Production and retail sale of solvent and related products	99.99
Living Energy Company Limited	Thailand	Holding company, management service for solar power plant and retail sale of solar roof top	99.99
Indirect subsidiaries			
(held by Living Energy Company Limited)			
NW Solar Company Limited	Thailand	Solar power plant	99.99
NW Green Power Company Limited	Thailand	Solar power plant	99.99
NW Energy Company Limited	Thailand	Solar power plant	99.99
Sky Solar Roof Company Limited	Thailand	Solar power plant	99.99
Sky Solar Power Company Limited	Thailand	Solar power plant	99.99
Solar Town Company Limited	Thailand	Solar power plant	99.99
Sunny Solar Company Limited	Thailand	Solar power plant	99.99
Sun Link Power Company Limited	Thailand	Solar power plant	99.99
Renergy Solar Company Limited*	Thailand	Management service for solar power plant	99.99
*Dissolved on 12 February 2019			
Joint venture			
Pan Orient Energy (Siam) Ltd. (held by Sea Oil Energy Limited)	Islands of Bermuda	Exploration, development and production of petroleum and natural gas	49.99

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

2 Accounting policies

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

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 New financial reporting standards and revised financial reporting standards

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

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

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

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

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

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

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

2 Accounting policies (Continued)

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

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

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

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

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

TFRS 2 (revised 2018), the amendments clarify;

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

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

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

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

2 Accounting policies (Continued)

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

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

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

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

The above new standards will supersede the following standards:

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

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

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

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

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

2 Accounting policies (Continued)

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

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

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

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

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

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

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

2.3 Investments in subsidiaries and a joint venture

2.3.1 Subsidiaries

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

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

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

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

2 Accounting policies (Continued)

2.3 Investments in subsidiaries and a joint venture (Continued)

2.3.1 Subsidiaries (Continued)

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

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

2.3.2 Transactions with non-controlling interests

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

2.3.3 Disposal of subsidiaries

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

2.3.4 Business combination under common control

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

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

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

2 Accounting policies (Continued)

2.3 Investments in subsidiaries and a joint venture (Continued)

2.3.5 Joint arrangements

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

Joint operation

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

Joint venture

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

2.3.6 Accounting under equity method

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

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

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

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

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

2.3.7 Separate financial statements

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

2 Accounting policies (Continued)

2.4 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

(c) Group companies

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

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

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

2.5 Cash and cash equivalents

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

2.6 Trade receivables

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

2 Accounting policies (Continued)

2.7 Inventories

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

2.8 General investments

General investments are investments in non-marketable equity securities.

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

General investments are carried at cost less impairment loss.

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

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

2.9 Property, plant and equipment

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

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

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

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

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

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

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

2 Accounting policies (Continued)

2.10 Intangible assets

Computer software

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

2.11 Impairment of assets

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

2.12 Leases - where a Group company is the lessee

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

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

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

2.13 Borrowings

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

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

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

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

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

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

2 Accounting policies (Continued)

2.14 Deferred income taxes

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

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

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

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

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

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

2.15 Employee benefits

(a) Short-term benefits

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

(b) Retirement benefits

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

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

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

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

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

2 Accounting policies (Continued)

2.16 Share-based payment

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

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

2.17 Provisions

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

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

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

2.18 Share capital

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

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

2.19 Revenue recognition

(a) Revenue from sales and services

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

(b) Other income

- Dividend income is recognised when rights to receive dividends are established.
- Interest income is recognised using the effective interest method.
- Other income is recognised on an accrual basis.

2 Accounting policies (Continued)

2.20 Dividend distribution

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

2.21 Segment reporting

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

3 Financial risk management

3.1 Financial risk management

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

(a) Foreign exchange risk

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

(b) Interest rate risk

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

(c) Credit risk

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

(d) Liquidity risk

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

3.2 Accounting for derivative financial instruments and hedging activities

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

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

3 Financial risk management (Continued)

3.3 Fair value estimation

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

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

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

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

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

The Group discloses fair value of long-term borrowings and long-term loans to subsidiaries in Notes 15 and 28.4, respectively.

4 Critical accounting estimates, judgments and assumptions

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

(a) Allowance for doubtful accounts

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

(b) Impairment of investments in subsidiaries and a joint venture

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

(c) Retirement benefits

The present value of the retirement benefit obligations depends on a number of factors that are determined by an actuarial basis comprising a number of assumptions, including the discount rate, inflation rate and salary increment. Any changes in these assumptions will have an impact on the carrying amount of retirement benefit obligations. The additional information of key assumptions is disclosed in Note 18.

5 Capital risk management

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

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

6 Operating segment information

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

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

Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and other income and expense that are unallocated.

The Group operates in 5 operating segments as follows;

- A) Maritime sales of fuel oil and lubricant oil
- B) Land sales and other channels' sales of fuel oil and lubricant oil
- C) Catering service – providing both onshore and offshore housekeeping and food services
- D) Electricity generation from solar energy and sale of solar roof
- E) Production and retail sale of solvent and petrochemical products

Operating segment information is as follows:

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

6 Operating segment information (Continued)

	Consolidated financial statements					
	Segment A Baht	Segment B Baht	Segment C Baht	Segment D Baht	Segment E Baht	Total Baht
For the year ended 31 December 2017						
Revenue from external customers	3,507,002,815	62,840,740	105,679,660	140,497,907	-	3,816,021,122
Segment operating profit (loss)	96,079,877	1,135,997	8,278,966	24,879,034	(28,053,639)	102,320,235
As at 31 December 2017						
Trade receivables and accrual income - net	337,193,182	7,578,955	4,768,407	89,046,417	-	438,586,961
Other assets (corporate assets)						2,166,277,763
Total assets						2,604,864,724

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

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

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

6 Operating segment information (Continued)

Geographic information

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

	For the year ended 31 December 2018									
	Segment A		Segment B		Segment C		Segment D		Segment E	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Revenue from sales and services	1,068,016,674	3,500,081,068	81,117,698	-	50,208,187	-	77,711,651	-	-	-
Segment operating profit	34,190,967	72,250,384	208,533	-	10,548,483	-	14,368,192	-	13,247,412	-
	For the year ended 31 December 2017									
	Segment A		Segment B		Segment C		Segment D		Segment E	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Revenue from sales and services	827,847,093	2,679,155,722	62,840,740	-	105,679,660	-	140,497,907	-	-	-
Segment operating profit (loss)	44,287,477	51,792,400	1,135,997	-	8,278,966	-	24,879,034	-	(28,053,639)	-

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

7 Cash and cash equivalents

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

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

8 Trade and other receivables, net

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

The aging analysis of the trade receivables is as follows:

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

9 Inventories

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

10 Investments in subsidiaries and interests in a joint venture

10.1 Investments in subsidiaries

The investments in subsidiaries are as follows:

Company	Incorporated country	Nature of business	Holding interest in ordinary share (%)	
			2018 (%)	2017 (%)
Direct subsidiaries				
Sea Oil Energy Limited	Islands of Bermuda	Holding company	100.00	100.00
Sea Oil Offshore Limited	Malaysia	Retail sale of fuel oil and related products	100.00	100.00
Sea Oil Petroleum Pte. Ltd ¹	Singapore	Retail sale of fuel oil and related products	75.00	75.00
Sea Oil Petrochemical Company Limited	Thailand	Production and retail sale of solvent and related products	99.99	99.99
Living Energy Company Limited	Thailand	Holding company, management service for solar power plant and retail sale of solar roof top	99.99	99.99
Indirect subsidiaries (held by Living Energy Company Limited)				
NW Solar Company Limited	Thailand	Solar power plant	99.99	99.99
NW Green Power Company Limited	Thailand	Solar power plant	99.99	99.99
NW Energy Company Limited	Thailand	Solar power plant	99.99	99.99
Sky Solar Roof Company Limited	Thailand	Solar power plant	99.99	99.99
Sky Solar Power Company Limited	Thailand	Solar power plant	99.99	99.99
Solar Town Company Limited	Thailand	Solar power plant	99.99	99.99
Sunny Solar Company Limited	Thailand	Solar power plant	99.99	99.99
Sun Link Power Company Limited	Thailand	Solar power plant	99.99	99.99
Renergy Solar Company Limited ²	Thailand	Management service for solar power plant	99.99	99.99

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

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

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

10.1 Investments in subsidiaries (Continued)

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

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

Movement in the investment in subsidiaries is as follows:

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

Sea Oil Petrochemical Company Limited

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

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

Sea Oil Petroleum Pte. Ltd.

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

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

Living Energy Company Limited

On 24 February 2017, the Company purchased 99.99% of ordinary shares of Living Energy Co., Ltd. in the aggregated number of 0.75 million shares at Baht 249.80 per share, totalling Baht 188.00 million from Sunny Phum Company Limited which is controlled by its parent company, Nathalin Company Limited. The Company recognised other transaction costs of Baht 5.16 million, which were directly relating to the acquisition of the investment as costs of the investment in the separate financial statements. In combination, total cost of the investment is Baht 193.16 million

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

10.1 Investments in subsidiaries (Continued)

Such acquisition is considered as a business combination under common control. The detail of considerations transferred for the business acquisition and the book value of net assets acquired from the Solar Group at the acquisition date is as follows:

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

10.2 Investment in a joint venture

Investment in a joint venture is as follows;

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

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

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

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

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

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

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

10.2 Investment in a joint venture (Continued)

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

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

The following table provides a summary of financial information for a joint venture. The information as disclosed is the amounts shown in the financial statements of the joint venture (which is not just the share of the Group in the joint venture), and adjusted by items required to comply with the equity method. These include adjustments to fair values at the date of acquisition and the differences in accounting policies between the Group and the joint venture.

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

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

10.2 Investment in a joint venture (Continued)

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

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

The Company tests impairment of investment in a joint venture at the year end. The recoverable amount of investment in a joint venture is determined based on value-in-use calculation. This calculation uses cash flow projection from the petroleum concession. It is based on an estimate of the petroleum reserves, the petroleum resources and future oil prices provided by specialist. The Group applies future oil prices at 58.11 USD/Barrel with growth rate at 2.00% per annum and weighted average cost of capital at 13.00% - 17.00% per annum as discount rate for net cash flows received from the petroleum reserves and petroleum resources.

The calculation showed the recoverable amount exceeded carrying value by Baht 646.53 million. An increase in discount rate of 13.00% resulting the rate to be 25.00% to 30.00% per annum or a reduction of future oil prices by 30.65% per year would remove the excessive amount of the recoverable amount.

11 Property, plant and equipment, net

	Consolidated financial statements						
	Land and land improvements Baht	Building and building improvements Baht	Fixtures and office equipment Baht	Solar power equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2017							
Cost	65,397,257	-	11,274,678	409,415,789	1,220,405	82,122,481	569,430,610
<u>Less</u> Accumulated depreciation	-	-	(8,179,387)	(34,603,013)	(595,129)	-	(43,377,529)
Net book amount	<u>65,397,257</u>	<u>-</u>	<u>3,095,291</u>	<u>374,812,776</u>	<u>625,276</u>	<u>82,122,481</u>	<u>526,053,081</u>
For the year ended 31 December 2017							
Opening net book amount	65,397,257	-	3,095,291	374,812,776	625,276	82,122,481	526,053,081
Addition	-	-	6,163,229	1,470,404	-	92,279,761	99,913,394
Transfer in (out)	-	14,624,823	-	-	-	(14,624,823)	-
Disposal							
- Cost	-	-	(39,321)	(1,847,720)	(1,109,000)	(920,669)	(3,916,710)
- Accumulated depreciation	-	-	17,495	426,139	677,553	-	1,121,187
Write-off							
- Cost	-	-	(1,659,900)	-	-	(750,887)	(2,410,787)
- Accumulated depreciation	-	-	761	-	-	-	761
Depreciation charged (Note 25)	-	(78,079)	(1,848,914)	(17,566,086)	(114,038)	-	(19,607,117)
Exchange differences	-	-	(201,112)	-	-	-	(201,112)
Closing net book amount	<u>65,397,257</u>	<u>14,546,744</u>	<u>5,527,529</u>	<u>357,295,513</u>	<u>79,791</u>	<u>158,105,863</u>	<u>600,952,697</u>
At 31 December 2017							
Cost	65,397,257	14,624,823	15,503,688	409,038,473	111,405	158,105,863	662,781,509
<u>Less</u> Accumulated depreciation	-	(78,079)	(9,976,159)	(51,742,960)	(31,614)	-	(61,828,812)
Net book amount	<u>65,397,257</u>	<u>14,546,744</u>	<u>5,527,529</u>	<u>357,295,513</u>	<u>79,791</u>	<u>158,105,863</u>	<u>600,952,697</u>

11 Property, plant and equipment, net (Continued)

	Consolidated financial statements						
	Land and land improvements Baht	Building and building improvements Baht	Fixtures and office equipment Baht	Solar power equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2018							
Cost	65,397,257	14,624,823	15,503,688	409,038,473	111,405	158,105,863	662,781,509
<u>Less</u> Accumulated depreciation	-	(78,079)	(9,976,159)	(51,742,960)	(31,614)	-	(61,828,812)
Net book amount	<u>65,397,257</u>	<u>14,546,744</u>	<u>5,527,529</u>	<u>357,295,513</u>	<u>79,791</u>	<u>158,105,863</u>	<u>600,952,697</u>
For the year ended 31 December 2018							
Opening net book amount	65,397,257	14,546,744	5,527,529	357,295,513	79,791	158,105,863	600,952,697
Addition	-	356,250	2,550,599	284,747	-	90,774,481	93,966,077
Disposal							
- Cost	-	-	-	-	-	(765,452)	(765,452)
- Accumulated depreciation	-	-	-	-	-	-	-
Depreciation charged (Note 25)	-	(750,005)	(2,222,923)	(17,573,487)	(22,280)	-	(20,568,695)
Exchange differences	-	-	(14,311)	-	-	-	(14,311)
Closing net book amount	<u>65,397,257</u>	<u>14,152,989</u>	<u>5,840,894</u>	<u>340,006,773</u>	<u>57,511</u>	<u>248,114,892</u>	<u>673,570,316</u>
At 31 December 2018							
Cost	65,397,257	14,981,073	17,915,439	409,323,220	111,405	248,114,892	755,843,286
<u>Less</u> Accumulated depreciation	-	(828,084)	(12,074,545)	(69,316,447)	(53,894)	-	(82,272,970)
Net book amount	<u>65,397,257</u>	<u>14,152,989</u>	<u>5,840,894</u>	<u>340,006,773</u>	<u>57,511</u>	<u>248,114,892</u>	<u>673,570,316</u>

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

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

11 Property, plant and equipment, net (Continued)

	Separate financial statements			
	Fixtures and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2017				
Cost	7,311,509	111,405	711,360	8,134,274
<u>Less</u> Accumulated depreciation	(6,898,838)	(9,334)	-	(6,908,172)
Net book amount	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 25)	(300,063)	(22,280)	-	(322,343)
Closing net book amount	441,894	79,791	711,360	1,233,045
At 31 December 2017				
Cost	7,640,795	111,405	711,360	8,463,560
<u>Less</u> Accumulated depreciation	(7,198,901)	(31,614)	-	(7,230,515)
Net book amount	441,894	79,791	711,360	1,233,045
For the year ended 31 December 2018				
Opening net book amount	441,894	79,791	711,360	1,233,045
Addition	1,923,676	-	-	1,923,676
Depreciation charged (Note 25)	(463,215)	(22,280)	-	(485,495)
Closing net book amount	1,902,355	57,511	711,360	2,671,226
At 31 December 2018				
Cost	9,564,471	111,405	711,360	10,387,236
<u>Less</u> Accumulated depreciation	(7,662,116)	(53,894)	-	(7,716,010)
Net book amount	1,902,355	57,511	711,360	2,671,226

12 Intangible assets - net

	Consolidated financial statements Computer software Baht	Separate financial statements Computer software Baht
At 1 January 2017		
Cost	5,233,356	3,683,113
<u>Less</u> Accumulated amortisation	(2,141,486)	(2,019,429)
Net book amount	3,091,870	1,663,684
For the year ended 31 December 2017		
Opening net book amount	3,091,870	1,663,684
Addition	344,500	-
Amortisation charged (Note 25)	(499,714)	(352,126)
Exchange differences	(120,112)	-
Closing net book amount	2,816,544	1,311,558
At 31 December 2017		
Cost	5,452,307	3,683,113
<u>Less</u> Accumulated amortisation	(2,635,763)	(2,371,555)
Net book amount	2,816,544	1,311,558
For the year ended 31 December 2018		
Opening net book amount	2,816,544	1,311,558
Addition	72,207	-
Amortisation charged (Note 25)	(469,424)	(324,480)
Exchange differences	(9,092)	-
Closing net book amount	2,410,235	987,078
At 31 December 2018		
Cost	5,503,479	3,683,113
<u>Less</u> Accumulated amortisation	(3,093,244)	(2,696,035)
Net book amount	2,410,235	987,078

13 Deferred income tax

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

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

Movement of deferred income tax is as follows:

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

Movement of deferred tax assets and liabilities is as follows:

	Consolidated financial statements				
	Allowance for doubtful debt Baht	Employee benefit obligations Baht	Amortised interest of promissory notes Baht	Tax loss carry forward Baht	Total Baht
Deferred tax assets					
At 1 January 2017	1,978,563	695,343	-	2,587,876	5,261,782
Charged/(credited) to profit or loss	(226,160)	137,878	1,798,597	1,205,028	2,915,343
Charged/(credited) to other comprehensive income	-	531,618	-	-	531,618
At 31 December 2017	1,752,403	1,364,839	1,798,597	3,792,904	8,708,743
Charged/(credited) to profit or loss	(42,000)	255,085	(1,798,597)	2,448,710	863,198
At 31 December 2018	<u>1,710,403</u>	<u>1,619,924</u>	<u>-</u>	<u>6,241,614</u>	<u>9,571,941</u>

13 Deferred income tax (Continued)

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

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

	Separate financial statements				
	Allowance for doubtful debt Baht	Employee benefit obligations Baht	Amortised interest of promissory notes Baht	Tax loss carry forward Baht	Total Baht
Deferred tax assets					
At 1 January 2017	1,978,563	695,343	-	-	2,673,906
Charged/(credited) to profit or loss	(226,160)	137,878	1,798,597	-	1,710,315
Charged/(credited) to other comprehensive income	-	531,618	-	-	531,618
At 31 December 2017	1,752,403	1,364,839	1,798,597	-	4,915,839
Charged/(credited) to profit or loss	(42,000)	255,085	(1,798,597)	2,448,710	863,198
At 31 December 2018	1,710,403	1,619,924	-	2,448,710	5,779,037

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

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

14 Other non-current assets

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

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

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

15 Borrowings

15.1 Short-term borrowings

Details of short-term borrowings are as follows:

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

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

15 Borrowings (Continued)

15.1 Short-term borrowings (Continued)

Movement of short-term borrowings is as follows:

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

15.1.1 Promissory notes

The Company

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

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

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

15.1.2 Bills of exchange

The Company

On 23 August 2017, the Company issued non-interest-bearing bills of exchange with the face value of Baht 400.00 million to a local asset management company. The bills were sold at Baht 387.31 million, net from a discount of Baht 12.69 million. The bills' maturity is 6 months and the repayment is due on 23 February 2018. The Company already settled the bill on due date.

15.1.3 Short-term borrowings

The Company

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

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

15 Borrowings (Continued)

15.1 Short-term borrowings (Continued)

Movement of short-term borrowings is as follows:

15.1.3 Short-term borrowings (Continued)

Subsidiaries

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

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

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

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

15.2 Long-term borrowings

Details of long-term borrowings are as follows:

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

15 Borrowings (Continued)

15.2 Long-term borrowings (Continued)

Movement of long-term borrowings is as follows:

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

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

15 Borrowings (Continued)

15.2 Long-term borrowings (Continued)

15.2.1 Long-term borrowings from financial institutions

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

- 1) Borrowings of the Solar Group from a bank are Baht 233.49 million. The borrowings bear interest at MLR-1.75 to -1.25 per annum. The repayments are made of 120 instalments from the date of receiving the borrowings. All fixed assets and savings accounts at bank of the Solar Group are used for collateral. The bank requires the saving accounts be opened for receiving money from selling electricity and for settlement of principle and interest of borrowings. Usage of that savings account is required an approval from bank.

As at 31 December 2018, the savings deposits amounting Baht 2.59 million (2017: 4.07 million) are presented as restricted deposits at financial institutions in the statement of financial position.

The loan agreements between the Solar Group and the bank required the Solar Group to comply with debt covenants in maintaining financial ratios which comprise the maximum debt-to-equity of 3:1 and the minimum debt service coverage ratio (DSCR) of 1. As at 31 December 2018, the company under the Solar Group breached the covenants and received a waive letter from the bank on 28 December 2018. Therefore, their non-current portion of borrowings as at 31 December 2018 remained as non-current portion.

- 2) Borrowing of Sea Oil Petrochemical Company Limited from the financial institution is Baht 39.96 million. The borrowing bears interest at MLR-0.75 per annum. The repayments are made of 36 instalments from the date of receiving the borrowings. Land and machinery of Sea Oil Petrochemical Company Limited is used as collateral.

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

15.2.2 Debentures

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

15 Borrowings (Continued)

Fair value

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

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

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

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

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

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

The Group has outstanding unused credit facilities as follows:

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

16 Reconciliation of liabilities arising from financing activities

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

17 Trade and other payables

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

18 Employee benefit obligations

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

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	7,505,428	3,476,713	6,824,193	3,476,713
Current service cost	1,480,239	1,241,990	1,060,722	560,755
Interest expense	234,459	128,635	214,703	128,635
Remeasurement				
Loss from changes in demographic assumptions	-	1,506,971	-	1,506,971
Gain from change in financial assumptions	-	(990,687)	-	(990,687)
Experience loss	-	2,141,806	-	2,141,806
At 31 December	<u>9,220,126</u>	<u>7,505,428</u>	<u>8,099,618</u>	<u>6,824,193</u>

The principal actuarial assumptions used are as follows:

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

18 Employee benefit obligations (Continued)

The sensitivity analysis of the actuarial assumptions is as follows:

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

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

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

The weighted average duration of the defined benefit obligation is 23.8 years (2017: 24.6 years).

19 Share capital

	Number of shares	Ordinary shares	Share premium	Total
	Shares	Baht	Baht	Baht
At 1 January 2017	415,120,281	415,120,281	656,291,937	1,071,412,218
Issue of shares	138,373,427	138,373,427	276,746,854	415,120,281
Exercise of warrants	44,500	44,500	89,000	133,500
At 31 December 2017	553,538,208	553,538,208	933,127,791	1,486,665,999
Exercise of warrants (Note 20)	21,454	21,454	42,908	64,362
At 31 December 2018	553,559,662	553,559,662	993,170,699	1,486,730,361

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

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

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

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

20 Warrants to purchase ordinary shares

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

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

Movement of warrants to purchase ordinary shares for the year ended 31 December 2018 is as follows:

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

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

21 Legal reserve

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

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

22 Dividend distribution

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

23 Other income

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

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

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

24 Finance costs

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

25 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Notes	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Purchase of finished goods		4,471,121,074	3,559,588,349	1,102,992,567	833,944,128
Changes in inventories		8,682,323	(36,257,411)	(1,216,654)	-
Changes in goods in transit		(3,078,344)	(917,039)	(3,078,344)	(917,039)
Direct cost for catering service on the accommodation vessel		27,492,052	95,098,273	27,492,052	95,098,273
Employee benefits expenses		90,159,931	73,792,185	57,735,109	45,897,688
Depreciation and amortisation	11, 12	21,038,119	20,106,831	809,975	674,469
Transportation expenses		32,156,710	35,087,112	15,178,958	17,423,861
Sale commission expenses		20,850,700	10,110,732	6,171,317	223,500
Loss from fire		1,149,557	19,253,072	-	-

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

26 Income tax

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

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

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

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

27 Earnings (loss) per share

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

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

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

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

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

28 Related party transactions

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

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

28 Related party transactions (Continued)

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

28.1 Sales of goods and services

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

Sales of goods are carried out on commercial terms and conditions.

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

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

28.2 Purchases of goods and services

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

28 Related party transactions (Continued)

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

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

28 Related party transactions (Continued)

28.4 Loans to subsidiaries

The loans were made to subsidiaries as follows:

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

The movement of loans to subsidiaries is as follows:

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

Short-term loans

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

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

28 Related party transactions (Continued)

28.4 Loans to related parties (Continued)

Long-term loans

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

The fair value of such loans was Baht 1,566.29 million (2017: Baht 1,543.83 million), determined in level 2 of fair value (Note 3.3), calculated by discounted cash flow model based on yield curve of risk-free bond plus risk premium in relevance with the Group's credit rating as disclosed by the Thai Bond Market Association.

28.5 Long-term borrowing from a parent

Borrowing of Baht 300.00 million was made with Nathalin Co., Ltd. on 1 September 2017. The borrowing bears interest at the rate of 5% per annum. The repayment term is within 2 years and the maturity date is on 31 August 2019. During the year, the Company partially repaid the borrowing in an amount of Baht 250.00 million.

28.6 Key management compensation

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

28.7 Guarantee

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

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

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

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

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

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

29 Commitments and contingent liabilities

29.1 Capital commitment

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Property, plant and equipment	-	20,223,200	-	-
	-	20,223,200	-	-

29.2 Operating lease commitment

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

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

29.3 Bank guarantees and letter of credit

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

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

29.4 Litigation

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

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