

SEA OIL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2019

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 2019, 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 2019;
- 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 matters

How my audit addressed the key audit matters

Assessment of the recoverable amount of investment in a joint venture

As at 31 December 2019, the Group has an investment in a company classified as joint venture. It is presented in the consolidated financial statements at Baht 1,227.16 million representing 41.35% 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 fluctuation of oil prices. This factor is indication that investment in the joint venture may be impaired. The Group, therefore, tests impairment of the investment.

The management assessed the recoverable amount of investment in the joint venture by the calculation of value in use which is an estimate of the present value of the estimated future cash flows expected to be generated by the joint venture.

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.

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:

- 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.

I also assessed the knowledge of the management experts who provided information about the petroleum reserves, the petroleum resources and oil prices.

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.

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.

Sea Oil Public Company Limited
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Assets					
Current assets					
Cash and cash equivalents	7	198,089,896	133,874,576	31,826,500	18,692,385
Trade and other receivables, net	8	784,190,850	569,655,316	202,794,735	194,395,928
Short-term loans to subsidiaries	27.4	-	-	220,000,000	172,823,277
Inventories	9	11,198,507	25,838,010	148,693	4,294,998
Other current assets		26,667,422	18,185,577	18,383,215	9,659,950
Total current assets		1,020,146,675	747,553,479	473,153,143	399,866,538
Non-current assets					
Restricted deposits at financial institutions	15.2.1	54,577	2,592,230	-	-
Investments in subsidiaries	10.1	-	-	558,137,057	558,106,650
Investment in a joint venture	10.2	1,227,160,236	1,268,396,862	-	-
Long-term loans to a subsidiary	27.4	-	-	1,387,880,000	1,387,880,000
Interest receivable from a subsidiary	27.3, 27.4	-	-	-	99,139,637
Property, plant and equipment, net	11	654,713,235	673,570,316	2,394,626	2,671,226
Intangible assets, net	12	1,892,941	2,410,235	707,637	987,078
Deferred tax assets, net	13	4,253,081	8,642,822	4,314,690	4,849,918
Other non-current assets	14	59,276,247	41,136,036	-	-
Total non-current assets		1,947,350,317	1,996,748,501	1,953,434,010	2,053,634,509
Total assets		2,967,496,992	2,744,301,980	2,426,587,153	2,453,501,047

The accompanying notes on pages 15 to 53 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institutions	15.1	224,064,450	408,582,451	162,956,450	343,682,851
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	116,326,000	73,476,000	60,000,000	-
Current portion of debentures	15.2	399,555,239	-	399,555,239	-
Trade and other payables	17	501,641,594	239,055,963	32,399,337	30,188,288
Income tax payable		11,297,049	2,695,027	-	-
Other current liabilities		7,014,685	6,801,441	815,301	1,412,991
Total current liabilities		1,259,899,017	780,610,882	655,726,327	425,284,130
Non-current liabilities					
Long-term borrowings from					
financial institutions	15.2	278,570,000	199,976,000	115,000,000	-
Debentures	15.2	-	396,505,743	-	396,505,743
Employee benefit obligations	18	12,704,514	9,220,126	11,461,342	8,099,618
Other non-current liabilities		4,488,872	3,594,948	-	-
Total non-current liabilities		295,763,386	609,296,817	126,461,342	404,605,361
Total liabilities		1,555,662,403	1,389,907,699	782,187,669	829,889,491

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Sea Oil Public Company Limited
Statement of Financial Position (Continued)
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Liabilities and equity (Continued)					
Equity					
Share capital					
Authorised share capital					
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		553,559,662	553,559,662	553,559,662	553,559,662
Premium on ordinary shares	19	933,170,699	933,170,699	933,170,699	933,170,699
Shortage arising from business combination under common control		(74,049,938)	(74,049,938)	-	-
Retained earnings (deficits)					
Appropriated - legal reserve	21	27,520,000	26,509,200	27,520,000	26,509,200
Unappropriated		(25,962,495)	(86,622,480)	130,149,123	110,371,995
Other components of equity		(18,748,144)	(5,914,929)	-	-
Equity attributable to owners of the parent		1,395,489,784	1,346,652,214	1,644,399,484	1,623,611,556
Non-controlling interests		16,344,805	7,742,067	-	-
Total equity		1,411,834,589	1,354,394,281	1,644,399,484	1,623,611,556
Total liabilities and equity		2,967,496,992	2,744,301,980	2,426,587,153	2,453,501,047

The accompanying notes on pages 15 to 53 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 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenue from sales		6,424,236,042	4,726,927,091	1,379,812,827	1,173,046,618
Revenue from services		48,827,937	50,208,187	48,827,937	50,208,187
Cost of sales		(6,211,783,553)	(4,501,256,077)	(1,310,332,127)	(1,101,572,813)
Cost of services		(44,674,891)	(38,257,763)	(44,674,891)	(38,257,763)
Gross profit		216,605,535	237,621,438	73,633,746	83,424,229
Other income	22	46,341,607	34,550,618	100,752,024	14,046,784
Selling expenses		(82,248,434)	(76,451,873)	(29,964,918)	(26,423,714)
Administrative expenses		(146,210,337)	(134,464,782)	(76,861,188)	(84,851,349)
Other gains (losses) - exchange rates, net		95,216	2,823,869	193,427	(91,003)
Finance costs	23	(55,716,212)	(57,674,005)	(45,794,152)	(46,455,259)
Profit (loss) before share of profit from a joint venture and income tax		(21,132,625)	6,405,265	21,958,939	(60,350,312)
Share of profit from a joint venture	10.2	111,739,775	2,708,619	-	-
Profit (loss) before income tax		90,607,150	9,113,884	21,958,939	(60,350,312)
Income tax	25	(17,464,877)	(3,263,258)	(1,745,462)	(65,921)
Profit (loss) for the year		73,142,273	5,850,626	20,213,477	(60,416,233)

The accompanying notes on pages 15 to 53 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Other comprehensive income					
Item that will not be reclassified subsequently to profit or loss					
Remeasurement of post-employment benefit obligations	18	1,026,110	-	718,064	-
Income tax on item that will not be reclassified subsequently to profit or loss	13	(205,222)	-	(143,613)	-
Total item that will not be reclassified to profit or loss		820,888	-	574,451	-
Item that will be reclassified subsequently to profit or loss					
Currency translation differences		(16,522,734)	(4,819,984)	-	-
Total item that will be reclassified subsequently to profit or loss		(16,522,734)	(4,819,984)	-	-
Other comprehensive income for the year, net of tax		(15,701,846)	(4,819,984)	574,451	-
Total comprehensive income for the year		57,440,427	1,030,642	20,787,928	(60,416,233)
Profit (loss) attributable to:					
Owners of the parent		60,849,897	(754,619)	20,213,477	(60,416,233)
Non-controlling interests		12,292,376	6,605,245	-	-
		73,142,273	5,850,626	20,213,477	(60,416,233)
Total comprehensive income attributable to:					
Owners of the parent		48,837,570	(4,377,323)	20,787,928	(60,416,233)
Non-controlling interests		8,602,857	5,407,965	-	-
		57,440,427	1,030,642	20,787,928	(60,416,233)
Earnings (loss) per share					
Basic earning (loss) per share	26	0.1099	(0.0014)	0.0365	(0.1091)

The accompanying notes on pages 15 to 53 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 2019

Consolidated financial statements										
Attributable to owners of the parent										
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	Non-controlling interests Baht	Total equity Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	Other comprehensive income 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	1,353,299,277
Changes in equity for the year										
Exercise of warrants	20	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	1,030,642
Closing balance as at										
31 December 2018	<u>553,559,662</u>	<u>933,170,699</u>	<u>(74,049,938)</u>	<u>26,509,200</u>	<u>(86,622,480)</u>	<u>(5,914,929)</u>	<u>(5,914,929)</u>	<u>1,346,652,214</u>	<u>7,742,067</u>	<u>1,354,394,281</u>

The accompanying notes on pages 15 to 53 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 2019

Consolidated financial statements										
Attributable to owners of the parent										
Notes	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	Non-controlling interests Baht	Total equity Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	Other comprehensive income Translation of financial statements Baht	Total other components of equity Baht			
Opening balance as at 1 January 2019	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	1,354,394,281
Changes in equity for the year										
Total comprehensive income for the year	-	-	-	-	61,670,785	(12,833,215)	(12,833,215)	48,837,570	8,602,857	57,440,427
Legal reserves 21	-	-	-	1,010,800	(1,010,800)	-	-	-	-	-
Dissolution of a subsidiary 10.1	-	-	-	-	-	-	-	-	(119)	(119)
Closing balance as at 31 December 2019	<u>553,559,662</u>	<u>933,170,699</u>	<u>(74,049,938)</u>	<u>27,520,000</u>	<u>(25,962,495)</u>	<u>(18,748,144)</u>	<u>(18,748,144)</u>	<u>1,395,489,784</u>	<u>16,344,805</u>	<u>1,411,834,589</u>

The accompanying notes on pages 15 to 53 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 2019

	Separate financial statements					
	Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Total equity Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	
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	20	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		<u>553,559,662</u>	<u>933,170,699</u>	<u>26,509,200</u>	<u>110,371,995</u>	<u>1,623,611,556</u>
Opening balance as at 1 January 2019		553,559,662	933,170,699	26,509,200	110,371,995	1,623,611,556
Changes in equity for the year						
Total comprehensive income for the year		-	-	-	20,787,928	20,787,928
Legal reserves	21	-	-	1,010,800	(1,010,800)	-
Closing balance as at 31 December 2019		<u>553,559,662</u>	<u>933,170,699</u>	<u>27,520,000</u>	<u>130,149,123</u>	<u>1,644,399,484</u>

The accompanying notes on pages 15 to 53 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from operating activities					
Profit (loss) before income tax		90,607,150	9,113,884	21,958,939	(60,350,312)
Adjustments for:					
Depreciation and amortisation	11, 12	41,370,152	21,038,119	901,341	809,975
Allowance for doubtful accounts (reversed)		7,394,680	1,571,353	2,004,858	(210,000)
Loss on sale and write off of fixed assets		5,337,220	615,260	-	-
Loss (gain) on exchange rate		(88,870)	7,378,393	(107,647)	341,907
Employee benefit obligations	18	4,510,498	1,714,698	4,079,788	1,275,425
Dividend income	10.1, 22	-	-	(35,233,571)	-
Interest income	22	(3,592,613)	(2,817,223)	(61,344,946)	(10,143,269)
Interest expense	23	55,716,212	57,674,005	45,794,152	46,455,259
Share of profit from a joint venture	10.2	(111,739,775)	(2,708,619)	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities		89,514,654	93,579,870	(21,947,086)	(21,821,015)
Changes in operating assets and liabilities					
Trade and other receivables		(251,821,609)	(120,162,054)	(3,145,665)	(25,344,145)
Inventories		14,649,358	11,465,282	4,146,305	(3,377,959)
Other current assets		(11,127,838)	993,942	(11,401,971)	(839,715)
Other non-current assets		(18,140,211)	3,576,643	-	24,655,525
Trade and other payables		283,801,363	42,324,203	2,167,315	8,674,520
Other current liabilities		(5,165,926)	(12,174,408)	(597,689)	407,123
Other non-current liabilities		893,924	3,594,948	-	-
Cash generated from (used in) operations		102,603,715	23,198,426	(30,778,791)	(17,645,666)
Income tax received		2,722,533	-	2,722,533	-
Income tax paid		(4,219,467)	(7,854,601)	(1,397,674)	(5,407,891)
Net cash generated from (used in) operating activities		101,106,781	15,343,825	(29,453,932)	(23,053,557)

The accompanying notes on pages 15 to 53 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from investing activities					
Restricted deposits at financial institutions		2,537,652	1,477,675	-	-
Proceeds from sales of fixed assets		-	162,056	-	-
Payment for fixed assets		(22,555,454)	(86,552,064)	(345,300)	(1,923,676)
Interest paid capitalised in qualifying assets	23	(3,177,097)	(9,774,903)	-	-
Payment for investment in a subsidiary	10.1	-	-	(30,407)	(45,551,042)
Loans made to a subsidiary	27.4	-	-	(127,000,000)	(175,912,000)
Proceeds from repayment of loans to subsidiaries	27.4	-	-	79,823,277	147,412,053
Dividend received	10.1, 10.2	152,976,401	-	27,781,363	-
Interest received		3,583,460	2,798,210	160,860,496	5,075,402
Net cash generated from (used in) investing activities		133,364,962	(91,889,026)	141,089,429	(70,899,263)
Cash flows from financing activities					
Proceeds from exercise of warrants	19	-	64,362	-	64,362
Proceeds from short-term borrowings from financial institutions	15.1	1,871,671,206	1,796,109,881	1,625,540,755	1,537,146,857
Repayment on short-term borrowings from financial institutions	15.1	(2,052,748,946)	(1,786,686,586)	(1,807,418,495)	(1,592,312,667)
Proceeds from issuance of debentures	15.2	-	400,000,000	-	400,000,000
Repayment on long-term borrowing from a parent	15.2	(50,000,000)	(250,000,000)	(50,000,000)	(250,000,000)
Proceeds from long-term borrowings from a financial institution	15.2	175,000,000	-	175,000,000	-
Repayment on long-term borrowings from financial institutions	15.2	(53,556,000)	(53,556,000)	-	-
Payment for transaction costs of borrowings	15.1, 15.2	-	(7,980,000)	-	(7,980,000)
Payment for dissolution of a subsidiary to non-controlling interests	10.1	(119)	-	-	-
Interest paid		(51,771,885)	(47,868,563)	(41,549,572)	(36,889,769)
Net cash generated from (used in) financing activities		(161,405,744)	50,083,094	(98,427,312)	50,028,783

The accompanying notes on pages 15 to 53 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Net increase (decrease) in cash and cash equivalents		73,065,999	(26,462,107)	13,208,185	(43,924,037)
Cash and cash equivalents at the beginning of the year		133,874,576	171,906,380	18,692,385	62,636,012
Exchange losses on cash and cash equivalents		(8,850,679)	(11,569,697)	(74,070)	(19,590)
Cash and cash equivalents at the end of the year	7	<u>198,089,896</u>	<u>133,874,576</u>	<u>31,826,500</u>	<u>18,692,385</u>
Supplementary information for cash flows					
Non-cash transactions:					
Purchase of equipment on payable		5,379,170	5,833,457	-	-
Dividends receivable	10.1, 22	-	-	7,452,208	-
Acquiring of preference shares by a settlement of debt and interest receivable	10.1, 27.4	-	-	-	142,122,688

The accompanying notes on pages 15 to 53 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, Debaratana 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 2019 is as follows:

Company	Incorporated country	Nature of business	Holding interest in ordinary shares (%)
Direct 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
Energon Pte. Ltd.	Singapore	Holding company	100.00
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
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 21 February 2020.

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 Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued 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 2019. These standards have significant changes and are relevant to the Group.

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

These standards do not have a material impact to the Group.

2.2.2 The financial reporting standards, relevant to the Group, are effective for annual periods beginning on or after 1 January 2020. The Group has not yet early adopted these standards.

2.2.2.1 Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group’s management is currently assessing the impact of these standards.

2.2.2.2 TFRS 16 Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group will apply TFRS 16 by adjusting cumulative impact to opening retained earnings (modified retrospective approach). From the preliminary assessment, the management expects that the Group will have significant impact on recognition of lease liabilities and right of use assets under operating leases as follows:

- Liabilities under lease agreements are recognised in accordance with the obligations and discounted to present values with incremental borrowing rates of the lessees as of 1 January 2020 amounting to Baht 151.35 million.
- Right-of-use assets are recognised equal to the present value of liabilities under the lease agreements as of 1 January 2020 amounting to Baht 151.35 million.

2.2.2.3 Other new and amended financial reporting standards

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.

The judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

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

2.3 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Direct costs are recorded as cost of initial investment. Dividend income from subsidiaries are recognised as income in profit or loss.

b) 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 operations

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 Group's financial statement line items.

Joint ventures

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

In the separate financial statements, investments in joint ventures are accounted for using cost method. Dividend income from joint ventures are recognised as income in profit or loss.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in joint ventures is reduced but joint control 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 reduce of the ownership interest in joint ventures is recognise in profit or loss.

When the Group losses control, joint control over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

e) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises:

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired 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 initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses.

Step-up acquisition

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 re-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration 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.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of transferred to retained earnings.

2.5 Foreign currency translation

a) *Functional and presentation currency*

The financial statements are presented in Thai Baht which is the Company's functional 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.

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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) *Group companies*

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

2.6 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.

2.7 Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the first-in, first-out method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. The Group recorded allowance, where necessary, for obsolete, slow-moving and defective inventories.

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, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when 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
Machinery and equipment	8 – 15 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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 tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.12 Leases - where a Group company is the lessee

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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 reporting date.

2.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take long period to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

2.15 Current and 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.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.16 Employee benefits

(a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid leave and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

(b) Defined contribution plan

The Group pays contributions to a separate fund in accordance with the provident fund Act B.E. 2530 The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of [government bonds /high-quality corporate bonds] that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

2.17 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.

2.18 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 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 (net of tax) are shown as a deduction in equity.

2.20 Revenue recognition

(a) Revenue from sales and services

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue is recognised when the Group satisfies a performance obligation by transferring goods or services to customers. The goods and services are transferred when the customers obtain control of that goods and services. Control of the goods and services has transferred when the goods and services are delivered to customers. Delivery occurs when the goods have been shipped to the specific location. A receivable is recognised when the goods and services are delivered as this is the performance obligations satisfied at a point in time.

Revenue is recognised based on the price specified in the contract, net of value-added tax, rebates and discounts. Accumulated experience is used to estimate and provide for the discounts and rebates. An amount of variable consideration is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Any bundled goods or services that are distinct are separately recognised, and any discounts or rebates on the contract price are generally be allocated to the separate elements.

(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.

2.21 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

2.22 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.

3.3 Fair value

Fair value is categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of the asset or liability is based on the quoted prices in active markets for identical assets or liabilities.
- Level 2: The fair value of the asset or liability is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of the asset or liability is 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Assets				
Foreign currency forward contract	13,860	30,561	13,860	30,561
Oil trading forward contract	301,926	-	-	-
Liabilities				
Foreign currency forward contract	-	55,638	-	55,638

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

Fair value of long-term borrowings and long-term loans to subsidiaries is disclosed in Notes 15 and 27.4, 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 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 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, issue new shares, or sell assets to reduce debt.

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 - provide service and supply management for clients in the oil industry's exploration and production.
- D) Electricity generation from solar energy and sale of solar roof
- E) Production and retail sale of solvent and petrochemical products (started to recognise revenue on 1 April 2019).

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Operating segment information is as follows:

	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 2019						
Revenue from external customers	5,988,064,188	124,270,263	48,827,937	56,700,293	255,201,298	6,473,063,979
Segment operating profit	128,123,024	372,267	1,911,106	7,192,953	(37,710,298)	99,889,052
Timing of revenue recognition						
- Point in time	5,988,064,188	124,270,263	48,827,937	56,700,293	255,201,298	6,473,063,979
- Over time	-	-	-	-	-	-
As at 31 December 2019						
Trade receivables and accrual income - net	717,401,473	25,612,152	10,438,323	8,963,813	-	762,415,761
Other assets (corporate assets)						2,205,081,231
Total assets						2,967,496,992

	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 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
Timing of revenue recognition						
- Point in time	4,568,097,742	81,117,698	50,208,187	77,711,651	-	4,777,135,278
- Over time	-	-	-	-	-	-
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						2,744,301,980

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

	Consolidated financial statements	
	2019 Baht	2018 Baht
Segment operating profit	99,889,052	144,813,971
Reconciling items:		
Other income - head office	9,627,872	330,313
Administrative expenses - head office	(93,103,190)	(100,964,522)
Gains (losses) on exchange rate, net - head office	(216,026)	2,623,598
Finance costs - head office	(37,330,333)	(40,398,095)
Share of profit from a joint venture	111,739,775	2,708,619
Income tax	(17,464,877)	(3,263,258)
Net profit for the year	73,142,273	5,850,626

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

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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 2019										Total
	Segment A		Segment B		Segment C		Segment D		Segment E		
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	
Revenue from sales and services	1,212,840,150	4,775,224,038	124,270,263	-	48,827,937	-	56,700,293	-	255,201,298	-	6,473,063,979
Segment operating profit	24,046,113	104,076,911	372,267	-	1,911,106	-	7,192,953	-	(37,710,298)	-	99,889,052

	For the year ended 31 December 2018										Total
	Segment A		Segment B		Segment C		Segment D		Segment E		
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	
Revenue from sales and services	1,068,016,674	3,500,081,068	81,117,698	-	50,208,187	-	77,711,651	-	-	-	4,777,135,278
Segment operating profit	34,190,967	72,250,384	208,533	-	10,548,483	-	14,368,192	-	13,247,412	-	144,813,971

Revenue from sales and services of segment A in foreign countries amount of Baht 4,775.22 million is revenue from Singapore of Baht 4,239 million (2018: Baht 2,993.17 million) and from Malaysia of Baht 536.22 million (2018: Baht 506.91 million).

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	30	1,224,306	-	-
Deposits at banks - current accounts	196,480,084	122,610,302	30,483,551	16,413,238
Deposits at banks - savings accounts	1,609,782	10,039,968	1,342,949	2,279,147
	198,089,896	133,874,576	31,826,500	18,692,385

The interest rates on savings accounts are 0.50% - 0.63% per annum (2018: 0.50% - 0.63% per annum).

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables				
- other parties	738,000,060	516,882,169	164,342,673	148,236,959
- related parties (Note 27.3)	39,698,484	33,981,028	26,930,857	32,902,909
<u>Less</u> Allowance for doubtful accounts	(19,829,770)	(12,897,671)	(10,556,873)	(8,552,015)
Trade receivables - net	757,868,774	537,965,526	180,716,657	172,587,853
Accrued income				
- other parties	4,546,987	6,164,776	-	1,323,697
- related parties (Note 27.3)	-	614,365	-	614,365
	762,415,761	544,744,667	180,716,657	174,525,915
Other receivables - related parties (Note 27.3)	159,242	159,242	3,916,788	7,151,565
Other receivables - other parties	47,985	-	-	-
Interest receivables - related parties (Note 27.3)	-	-	-	373,202
Dividends receivable				
- related parties (Note 27.3)	-	-	7,496,284	-
Advance payment for purchasing of goods and services	15,148,664	11,793,725	9,024,991	10,758,467
Insurance claim receivable	-	9,935,689	-	-
Prepaid expense	5,594,934	959,209	815,751	526,275
Others	824,264	2,062,784	824,264	1,060,504
	784,190,850	569,655,316	202,794,735	194,395,928

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The aging analysis of the trade receivables is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current	608,470,768	381,302,675	107,401,476	94,077,831
Overdue:				
1 - 60 days	106,349,925	130,223,696	33,072,114	64,836,288
61 -120 days	29,121,521	5,231,943	27,348,081	1,090,710
121 - 180 days	9,296,267	20,642,080	9,296,267	11,977,984
Over 180 days	24,460,063	13,462,803	14,155,592	9,157,055
	777,698,544	550,863,197	191,273,530	181,139,868
<u>Less Allowance for doubtful accounts</u>	<u>(19,829,770)</u>	<u>(12,897,671)</u>	<u>(10,556,873)</u>	<u>(8,552,015)</u>
	757,868,774	537,965,526	180,716,657	172,587,853

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Raw materials	2,756,494	6,340,111	148,693	3,078,344
Finished goods	8,352,172	18,158,070	-	-
Goods in transit	-	1,216,654	-	1,216,654
Spare parts	89,841	123,175	-	-
	11,198,507	25,838,010	148,693	4,294,998

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 (%)		Separate financial statements	
			2019 (%)	2018 (%)	2019 Baht	2018 Baht
Direct subsidiaries						
Sea Oil Energy Limited	Islands of Bermuda	Holding company	100.00	100.00	32	32
Sea Oil Offshore Limited ²	Malaysia	Retail sale of fuel oil and related products	100.00	100.00	977,400	977,400
Sea Oil Petroleum Pte. Ltd. ¹	Singapore	Retail sale of fuel oil and related products	75.00	75.00	174,146,327	174,146,327
Sea Oil Petrochemical Company Limited	Thailand	Production and retail sale of solvent and related products	99.99	99.99	189,823,947	189,823,947
Living Energy Company Limited ³	Thailand	Holding company, management service for solar power plant and retail sale of solar roof top	99.99	99.99	193,158,944	193,158,944
Energon Pte. Ltd.	Singapore	Holding company	100.00	-	30,407	-
					<u>558,137,057</u>	<u>558,106,650</u>

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 Sea Oil Offshore Limited has stopped the business operation since 30 November 2019. The Company is in the process of returning the license to the authority. Sea Oil Petroleum Pte. Ltd. is the distributor of fuel oil to existing customers of Sea Oil Offshore Ltd.

³ Renergy Company Limited, which is a subsidiary of Living Energy Company Limited was dissolved on 12 February 2019. Renergy Company Limited repaid Living Energy Company Limited in an amount of Baht 1,221,635 and non-controlling interests of Baht 119. Renergy Company Limited stopped business operation and there is no revenue from operation.

Movement in the investment in subsidiaries is as follows:

	Separate financial statements	
	2019 Baht	2018 Baht
As at 1 January	558,106,650	370,432,920
Addition	30,407	187,673,730
As at 31 December	558,137,057	558,106,650

Sea Oil Petrochemical Company Limited

On 27 March 2018, the Company paid Baht 40.50 million for 0.54 million shares 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 shares 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 27.4) 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.

During the first and fourth quarter of 2019, Sea Oil Petroleum Pte. Ltd. declared dividend payment for preference shares in an amount of USD 0.07 and 0.25 million or equivalent to Baht 2.24 and 7.45 million respectively. The Company already received cash for dividend income on 18 March 2019 and 13 January 2020 respectively.

Sea Oil Offshore Limited

On 6 November 2019, Sea Oil Offshore Limited declared dividend payment for ordinary shares in an amount of USD 0.85 million or equivalent to Baht 25.54 million. On 24 December 2019, the Company already received cash for this dividend.

Energon Pte. Ltd.

On 29 November 2019, the Company invested 1,000 shares at USD 1 in ordinary shares of a newly registered company, Energon Pte. Ltd., totalling USD 1,000 or equivalent to Baht 30,407. The amount of share invested is 100% of issued share capital.

10.2 Investment in a joint venture

Investment in a joint venture is as follows:

Company	Incorporated country	Nature of Business	Ownership of interest		Consolidated financial statements	
			2019 (%)	2018 (%)	2019 Baht	2018 Baht
Pan Orient Energy (Siam) Ltd.	Islands of Bermuda	Exploration, development and production of petroleum and natural gas	49.99	49.99	1,227,160,236	1,268,396,862

Pan Orient Energy (Siam) Ltd. (POES) is held by Sea Oil Energy Limited 49.99% and Pan Orient Petroleum Pte. 50.01%. The Group classifies 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 Pathorn Province.

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

	Consolidated financial statements	
	2019 Baht	2018 Baht
As at 1 January	1,268,396,862	1,265,688,243
Share of profit	111,739,775	2,708,619
Dividend received	(152,976,401)	-
As at 31 December	1,227,160,236	1,268,396,862

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On 31 July 2019, Pan Orient Energy (Siam) Ltd. declared dividend payment to shareholders in an amount of CAD 13.25 million or equivalent to Baht 306.00 million. The declared dividend is for Sea Oil Energy Limited in an amount of CAD 6.62 million or equivalent to Baht 152.98 million. Sea Oil Energy Limited received this dividend on 8 August 2019.

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 2019 Baht'000	31 December 2018 Baht'000
Statement of financial position as at 31 December		
Assets		
Cash and cash equivalents	436,139	210,850
Other current assets	459,044	507,484
Non-current assets	3,511,031	3,528,686
Total assets	4,406,214	4,247,020
Liabilities		
Current liabilities	139,688	85,567
Non-current liabilities	1,811,960	1,624,407
Total liabilities	1,951,648	1,709,974
Net assets	2,454,566	2,537,046
Statement of comprehensive income for the year ended 31 December		
	2019 Baht'000	2018 Baht'000
Revenue	1,332,891	380,912
Depreciation and amortisation	(521,181)	(231,879)
Cost and administrative expenses	(266,168)	(141,899)
Profit from operations	545,542	7,134
Income tax	(322,040)	(1,718)
Net profit	223,502	5,416

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

	2019 Baht'000	2018 Baht'000
Net assets as at 1 January	2,537,046	2,531,630
Profit for the year	223,502	5,416
Dividend paid	(305,982)	-
Net assets as at 31 December	2,454,566	2,537,046
Interest in a joint venture (49.99%)	1,227,160	1,268,397
Carrying value as at 31 December	1,227,160	1,268,397

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 58.98 USD/Barrel with growth rate at 2.00% per annum and weighted average cost of capital at 10.00% - 14.00% per annum as discount rate for net cash flows received from the petroleum reserves and petroleum resources for each individual type of reserves.

The calculation showed the recoverable amount exceeded carrying value by Baht 1,878.87 million. An increase in discount rate of 35.00% to be 45.00% to 48.00% per annum or a reduction of future oil prices by 38.54% per year would remove the excessive amount of the recoverable amount.

11 Property, plant and equipment, net

	Consolidated financial statements						Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Fixtures and office equipment Baht	Solar power equipment Baht	Vehicles Baht	Construction in progress Baht	
At 1 January 2018							
Cost	65,397,257	14,624,823	15,503,688	409,038,473	111,405	158,105,863	662,781,509
Less Accumulated depreciation	-	(78,079)	(9,976,159)	(51,742,960)	(31,614)	-	(61,828,812)
Net book amount	65,397,257	14,546,744	5,527,529	357,295,513	79,791	158,105,863	600,952,697
For the year ended 31 December 2018							
Opening net book amount	65,397,257	14,546,744	5,527,529	357,295,513	79,791	158,105,863	600,952,697
Addition	-	356,250	2,550,599	284,747	-	90,774,481	93,966,077
Disposal							
- Cost	-	-	-	-	-	(765,452)	(765,452)
- Accumulated depreciation	-	-	-	-	-	-	-
Depreciation charged (Note 24)	-	(750,005)	(2,222,923)	(17,573,487)	(22,280)	-	(20,568,695)
Exchange differences	-	-	(14,311)	-	-	-	(14,311)
Closing net book amount	65,397,257	14,152,989	5,840,894	340,006,773	57,511	248,114,892	673,570,316
At 31 December 2018							
Cost	65,397,257	14,981,073	17,915,439	409,323,220	111,405	248,114,892	755,843,286
Less Accumulated depreciation	-	(828,084)	(12,074,545)	(69,316,447)	(53,894)	-	(82,272,970)
Net book amount	65,397,257	14,152,989	5,840,894	340,006,773	57,511	248,114,892	673,570,316

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	Consolidated financial statements							
	Land and land improvements Baht	Building and building improvements Baht	Fixtures and office equipment Baht	Solar power equipment Baht	Vehicles Baht	Machinery and equipment Baht	Construction in progress Baht	Total Baht
At 1 January 2019								
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	65,397,257	14,152,989	5,840,894	340,006,773	57,511	-	248,114,892	673,570,316
For the year ended 31 December 2019								
Opening net book amount	65,397,257	14,152,989	5,840,894	340,006,773	57,511	-	248,114,892	673,570,316
Addition	-	-	3,073,745	4,402,508	-	9,000,000	11,029,165	27,505,418
Transfer in (out)	3,534,195	44,444,261	10,747,576	-	-	198,686,414	(257,412,446)	-
Disposal								
- Cost	-	-	(1,499,940)	(6,249,672)	-	-	-	(7,749,612)
- Accumulated depreciation	-	-	1,210,618	1,201,774	-	-	-	2,412,392
Depreciation charged (Note 24)	(269,680)	(2,706,491)	(3,809,404)	(17,603,877)	(22,280)	(16,511,363)	-	(40,923,095)
Exchange differences	-	-	(102,184)	-	-	-	-	(102,184)
Closing net book amount	68,661,772	55,890,759	15,461,305	321,757,506	35,231	191,175,051	1,731,611	654,713,235
At 31 December 2019								
Cost	68,931,452	59,425,334	29,950,806	407,476,056	111,405	207,686,414	1,731,611	775,313,078
<u>Less</u> Accumulated depreciation	(269,680)	(3,534,575)	(14,489,501)	(85,718,550)	(76,174)	(16,511,363)	-	(120,599,843)
Net book amount	68,661,772	55,890,759	15,461,305	321,757,506	35,231	191,175,051	1,731,611	654,713,235

The borrowing costs of Baht 3.18 million (2018: Baht 9.77 million) are capitalised in cost of qualifying assets and presented in "addition" in the consolidated financial statements. The Group uses a capitalisation rate of 5.28% to calculate borrowing costs eligible for capitalisation.

Land, building, solar power equipment and machinery and equipment of subsidiaries are partially pledged as collateral for loans from a financial institution (Note 15).

On 4 December 2019, there was a fire in solar power plant of Sky Solar Power Co., Ltd., located in Lamphun Province. Therefore, the subsidiary wrote off damage assets of Baht 4.91 million. The subsidiary is in the process of compensation claim from insurance (Note 24).

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	Separate financial statements			
	Fixtures and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2018				
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 24)	(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
For the year ended 31 December 2019				
Opening net book amount	1,902,355	57,511	711,360	2,671,226
Addition	298,200	-	47,100	345,300
Depreciation charged (Note 24)	(599,620)	(22,280)	-	(621,900)
Closing net book amount	1,600,935	35,231	758,460	2,394,626
At 31 December 2019				
Cost	9,862,671	111,405	758,460	10,732,536
<u>Less</u> Accumulated depreciation	(8,261,736)	(76,174)	-	(8,337,910)
Net book amount	1,600,935	35,231	758,460	2,394,626

12 Intangible assets - net

	Consolidated	Separate
	financial statements	financial statements
	Computer software	Computer software
	Baht	Baht
At 1 January 2018		
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 24)	(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
For the year ended 31 December 2019		
Opening net book amount	2,410,235	987,078
Amortisation charged (Note 24)	(447,057)	(279,441)
Exchange differences	(70,237)	-
Closing net book amount	1,892,941	707,637
At 31 December 2019		
Cost	5,401,461	3,683,113
<u>Less</u> Accumulated amortisation	(3,508,520)	(2,975,476)
Net book amount	1,892,941	707,637

13 Deferred income tax

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

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	-	2,448,710	-	2,448,710
Deferred tax asset to be recovered after 12 months	4,342,033	7,123,231	4,403,642	3,330,327
	4,342,033	9,571,941	4,403,642	5,779,037
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(88,952)	(929,119)	(88,952)	(929,119)
Deferred tax liability to be settled after 12 months	-	-	-	-
	(88,952)	(929,119)	(88,952)	(929,119)
Deferred income tax (net)	4,253,081	8,642,822	4,314,690	4,849,918

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Movement of deferred income tax is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	8,642,822	8,708,743	4,849,918	4,915,839
Charged/(credited) to profit or loss	(4,184,519)	(65,921)	(391,615)	(65,921)
Charged/(credited) to other comprehensive income	(205,222)	-	(143,613)	-
At 31 December	4,253,081	8,642,822	4,314,690	4,849,918

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 2018	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	1,710,403	1,619,924	-	6,241,614	9,571,941
Charged/(credited) to profit or loss	400,971	815,957	-	(6,241,614)	(5,024,686)
Charged/(credited) to other comprehensive income	-	(205,222)	-	-	(205,222)
At 31 December 2019	2,111,374	2,230,659	-	-	4,342,033

	Consolidated financial statements	
	Discount of debentures Baht	Total Baht
Deferred tax liabilities		
At 1 January 2018	-	-
Charged/(credited) to profit or loss	(929,119)	(929,119)
At 31 December 2018	(929,119)	(929,119)
Charged/(credited) to profit or loss	840,167	840,167
At 31 December 2019	(88,952)	(88,952)

	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 2018	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
Charged/(credited) to profit or loss	400,971	815,957	-	(2,448,710)	(1,231,782)
Charged/(credited) to other comprehensive income	-	(143,613)	-	-	(143,613)
At 31 December 2019	2,111,374	2,292,268	-	-	4,403,642

	Separate financial statements	
	Discount of debentures Baht	Total Baht
Deferred tax liabilities		
At 1 January 2018	-	-
Charged/(credited) to profit or loss	(929,119)	(929,119)
At 31 December 2018	(929,119)	(929,119)
Charged/(credited) to profit or loss	840,167	840,167
At 31 December 2019	(88,952)	(88,952)

14 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Refundable valued added tax	59,273,247	41,133,036	-	-
Deposit	3,000	3,000	-	-
	59,276,247	41,136,036	-	-

As at 31 December 2019, refundable valued added tax of Baht 59.27 million is the amount that Sea Oil Petrochemical Company Limited asked for a refund for the years during 2016 - 2019. It is under the process of consideration by the Revenue Department.

15 Borrowings

15.1 Short-term borrowings

Detail of short-term borrowings from financial institutions is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Short-term borrowings				
Promissory notes	69,800,000	263,848,661	69,000,000	263,848,661
Short-term borrowings	154,264,450	144,733,790	93,956,450	79,834,190
	224,064,450	408,582,451	162,956,450	343,682,851

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Movement of short-term borrowings from financial institutions is as follows:

	Consolidated financial information			
	Promissory notes Baht	Bills of exchange Baht	Short-term borrowings Baht	Total Baht
At 1 January 2018	-	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	263,848,661	-	144,733,790	408,582,451
Addition	677,800,000	-	1,193,871,206	1,871,671,206
Repayment	(873,000,000)	-	(1,179,748,946)	(2,052,748,946)
Amortised transaction costs/interest	1,151,339	-	-	1,151,339
Exchange differences	-	-	(4,591,600)	(4,591,600)
At 31 December 2019	69,800,000	-	154,264,450	224,064,450
	Separate financial statements			
	Promissory notes Baht	Bills of exchange Baht	Short-term borrowings Baht	Total Baht
At 1 January 2018	-	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
Addition	677,000,000	-	948,540,755	1,625,540,755
Repayment	(873,000,000)	-	(934,418,495)	(1,807,418,495)
Amortised transaction costs/interest	1,151,339	-	-	1,151,339
At 31 December 2019	69,000,000	-	93,956,450	162,956,450

Promissory notes

The Group issued promissory notes to financial institutions. The interest rates are at MLR-1.00 to MLR-1.25 per annum and fixed interest rate at 4.38% per annum. The maturities are 3 months.

Bills of exchange

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

Short-term borrowings

The Group made credit facility agreements with financial institutions, which have floating interests rates as specified by each financial institutions.

15.2 Long-term borrowings

Details of long-term borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Long-term borrowings				
Borrowing from a parent (Note 27.5)				
- Current portion	-	50,000,000	-	50,000,000
Borrowings from financial institutions				
- Current portion	116,326,000	73,476,000	60,000,000	-
- Non-current portion	278,570,000	199,976,000	115,000,000	-
Debentures				
- Current portion	399,555,239	-	399,555,239	-
- Non-current portion	-	396,505,743	-	396,505,743
	794,451,239	719,957,743	574,555,239	446,505,743

Movement of long-term borrowings is as follows:

	Consolidated financial statements		
	Borrowing from a parent Baht (Note 27.5)	Borrowings from financial institutions Baht	Debentures Baht
At 1 January 2018	300,000,000	327,008,000	-
Addition	-	-	400,000,000
Repayment	(250,000,000)	(53,556,000)	-
Transaction costs	-	-	(5,980,000)
Amortised transaction costs/interest	-	-	2,485,743
At 31 December 2018	50,000,000	273,452,000	396,505,743
Addition	-	175,000,000	-
Repayment	(50,000,000)	(53,556,000)	-
Amortised transaction costs/interest	-	-	3,049,496
At 31 December 2019	-	394,896,000	399,555,239
<u>Less</u> Current portion	-	(116,326,000)	(399,555,239)
Non-current portion	-	278,570,000	-
	Separate financial statements		
	Borrowing from a parent Baht (Note 27.5)	Borrowings from financial institutions Baht	Debentures Baht
At 1 January 2018	300,000,000	-	-
Addition	-	-	400,000,000
Repayment	(250,000,000)	-	-
Transaction costs	-	-	(5,980,000)
Amortised transaction costs/interest	-	-	2,485,743
At 31 December 2018	50,000,000	-	396,505,743
Addition	-	175,000,000	-
Repayment	(50,000,000)	-	-
Amortised transaction costs/interest	-	-	3,049,496
At 31 December 2019	-	175,000,000	399,555,239
<u>Less</u> Current portion	-	(60,000,000)	(399,555,239)
Non-current portion	-	115,000,000	-

15.2.1 Long-term borrowings from financial institutions

Long-term borrowings from financial institutions in the amount of Baht 394.90 million comprise the following:

- 1) The Company's borrowings of Baht 175.00 million are pledged by shares of a listed company that are held by Nathalin Company Limited, a parent company. The loan agreement requires that the value of the borrowings shall not exceed 60% of the pledged shares value.
- 2) Borrowings of the Solar Group from a bank are Baht 199.98 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 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.

The loan agreements 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 2019, 2 companies under the Solar Group breached the covenants and received a waive letter from the bank on 27 December 2019. Therefore, their non-current portion of borrowings as at 31 December 2019 remained as non-current portion.

- 3) Borrowing of Sea Oil Petrochemical Company Limited from the financial institution is Baht 19.92 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 2019, the Company cannot maintain the minimum debt service coverage ratio (DSCR) of 1. However, the subsidiary received a waive letter from the bank on 12 December 2019. As of 31 December 2019, the amount was already classified as current liabilities since it was due within one year.

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 Co., Ltd., a parent company, has pledged its own shares of a listed company as collateral for the value not less than Baht 600.00

Fair value

The fair value of short-term borrowings and debentures which due within one year are 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:

	Consolidated financial statements			
	Fair value		Carrying value	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Long-term borrowings from financial institutions	400,479,030	304,889,530	374,976,000	273,452,000

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Fixed interest rate	414,555,239	461,505,743	414,555,239	461,505,743
Floating interest rate	603,960,450	667,034,451	322,956,450	328,682,851
	1,018,515,689	1,128,540,194	737,511,689	790,188,594

Credit facilities

The Group has outstanding unused credit facilities as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current portion	742,112,645	777,704,800	390,680,645	518,106,400
	742,112,645	777,704,800	390,680,645	518,106,400

16 Reconciliation of liabilities arising from financing activities

	1 January 2019 Baht	Cash flows (net) Baht	Non-cash transactions		31 December 2019 Baht
			Amortised transaction costs/interest Baht	Exchange differences Baht	
Consolidated financial statements					
Short-term borrowings from financial institutions	408,582,451	(181,077,740)	1,151,339	(4,591,600)	224,064,450
Long-term borrowing from a parent	50,000,000	(50,000,000)	-	-	-
Long-term borrowings from financial institutions	273,452,000	121,444,000	-	-	394,896,000
Debentures	396,505,743	-	3,049,496	-	399,555,239
Separate financial statements					
Short-term borrowings from financial institutions	343,682,851	(181,877,740)	1,151,339	-	162,956,450
Long-term borrowing from a parent	50,000,000	(50,000,000)	-	-	-
Long-term borrowings from financial institutions	-	175,000,000	-	-	175,000,000
Debentures	396,505,743	-	3,049,496	-	399,555,239

	1 January 2018 Baht	Cash flows (net) Baht	Non-cash transactions		31 December 2018 Baht
			Amortised transaction costs/interest 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

17 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade payables				
- Other parties	479,327,432	204,512,226	22,016,768	20,414,854
- Related parties (Note 27.3)	648,370	612,362	-	-
Accrued expenses				
- Other parties	21,008,602	33,243,324	9,770,068	9,308,753
- Related parties (Note 27.3)	657,190	688,051	612,501	464,681
	501,641,594	239,055,963	32,399,337	30,188,288

18 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Statement of financial position				
Post-employment benefit	12,704,514	9,220,126	11,461,342	8,099,618
Profit or loss				
Post-employment benefit	4,510,498	1,714,698	4,079,788	1,275,425
Other comprehensive income				
Remeasurement of post-employment benefit	(1,026,110)	-	(718,064)	-

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	9,220,126	7,505,428	8,099,618	6,824,193
Current service cost	1,789,216	1,480,239	1,526,057	1,060,722
Interest expense	341,259	234,459	316,552	214,703
Past service cost	2,380,023	-	2,237,179	-
	4,510,498	1,714,698	4,079,788	1,275,425
Remeasurement				
Gain from change in financial assumptions	(235,835)	-	(214,643)	-
Experience gain	(790,275)	-	(503,421)	-
	(1,026,110)	-	(718,064)	-
At 31 December	12,704,514	9,220,126	11,461,342	8,099,618

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law became effective on 5 May 2019. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 days' pay to 400 days' pay. The effect of the new law is Baht 2.38 million and Baht 2.24 million for the consolidated financial statements and the separate financial statements, respectively. All amount is recognised in profit and loss in the second quarter of 2019.

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The principal actuarial assumptions used are as follows:

	2019	2018
Discount rate	3.32%	3.21%
Salary growth rate	5.00% - 13.00%	5.00% - 13.00%
Turnover rate of employees	0.00% - 8.50%	0.00% - 8.00%

The sensitivity analysis of the actuarial assumptions is as follows:

	Consolidated financial statements			
	Change in assumption		Impact on defined benefit obligation	
	2019	2018	Increase (decrease) in obligation	
			2019	2018
			Baht	Baht
Discount rate	Increase 1%	Increase 1%	(2,104,661)	(1,570,394)
	Decrease 1%	Decrease 1%	2,614,993	1,964,266
Salary growth rate	Increase 1%	Increase 1%	2,617,196	1,957,915
	Decrease 1%	Decrease 1%	(2,138,009)	(1,597,476)
Turnover rate of employees	Increase 20%	Increase 20%	(1,848,368)	(1,388,879)
	Decrease 20%	Decrease 20%	2,220,168	1,681,404

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 23.1 years (2018: 23.8 years).

19 Share capital

	Number of shares	Ordinary shares	Share premium	Total
	Shares	shares	Baht	Baht
		Baht		
At 1 January 2018	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
Issue of share	-	-	-	-
At 31 December 2019	553,559,662	553,559,662	993,170,699	1,486,730,361

As at 31 December 2019 and 2018, the total number of authorised ordinary shares is 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.

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	<u>(138,307,473)</u>
Closing balance	<u>-</u>

The warrants expired on 6 March 2018, there were 21,454 units of SEOIL-W warrant that are 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	26,509,200	26,509,200	26,509,200	26,509,200
Appropriation during the year	1,010,800	-	1,010,800	-
At 31 December	<u>27,520,000</u>	<u>26,509,200</u>	<u>27,520,000</u>	<u>26,509,200</u>

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 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest income	3,592,613	2,817,223	61,344,946	10,143,269
Dividend income (Note 10.1)	-	-	35,233,571	-
Management fee from subsidiaries	-	-	3,749,085	3,867,721
Fine from breach of trading agreement	27,349,466	-	-	-
Compensation from insurance claim	-	20,079,454	-	-
Compensation from legal case	9,262,833	-	-	-
Compensation from delay of work	-	7,958,055	-	-
Others	6,136,695	3,695,886	424,422	35,794
Total	<u>46,341,607</u>	<u>34,550,618</u>	<u>100,752,024</u>	<u>14,046,784</u>

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Fine from breach of trading agreement is income of Sea Oil Petroleum Pte. Ltd., where as a customer did not receive the products as indicated in the agreement. The subsidiary received cash on 21 May 2019.

Compensation from legal case is income of Sea Oil Offshore Ltd. in which it won the legal case. The court finalised the case on 10 May 2019, in an amount of USD 0.29 million or equivalent to Baht 9.26 million. The subsidiary received cash on 27 June 2019.

On 13 August 2019, Sea Oil Energy Limited paid interest for the long-term borrowings in an amount of Baht 152.98 million to the Company. It comprised of interest receivables during 2 February 2015 to 31 December 2016 amounting Baht 99.14 million, and the interest that the Company ceased to recognise during 1 January 2017 to 31 January 2018 amounting Baht 53.84 million. The Company recognised Baht 53.84 million as interest income during the period of 2019. On 31 December 2019, the Company has unrecognised interest receivables amounting Baht 93.36 million which will be recognised as interest income when receive.

23 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest - related party	1,554,795	4,856,164	1,554,795	4,856,164
Interest - financial institution	30,689,018	39,933,850	17,589,861	18,940,201
Interest - debentures	26,649,496	22,658,894	26,649,496	22,658,894
<u>Less</u> Cost of borrowings	(3,177,097)	(9,774,903)	-	-
	55,716,212	57,674,005	45,794,152	46,455,259

24 Expenses by nature

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Purchase of goods		6,152,132,276	4,471,121,074	1,333,087,333	1,102,992,567
Changes in inventories		12,735,548	8,682,323	2,929,651	(1,216,654)
Changes in goods in transit		1,216,654	(3,078,344)	1,216,654	(3,078,344)
Direct cost for catering service on the accommodation vessel		29,855,895	27,492,052	29,855,895	27,492,052
Employee benefits expenses		110,743,957	90,159,931	66,442,645	57,735,109
Depreciation and amortisation	11, 12	41,370,152	21,038,119	901,341	809,975
Transportation expenses		45,055,914	32,156,710	15,641,950	15,178,958
Sale commission expenses		22,020,223	20,850,700	3,824,060	6,171,317
Loss from fire	11	4,908,806	1,149,557	-	-

25 Income tax

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax:				
Current tax on profits for the year	13,280,358	3,197,337	1,353,847	-
Total current tax	13,280,358	3,197,337	1,353,847	-
Deferred tax:				
Origination and reversal of temporary differences	4,184,519	65,921	391,615	65,921
Total deferred tax	4,184,519	65,921	391,615	65,921
Total tax expense	17,464,877	3,263,258	1,745,462	65,921

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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit (loss) before income tax	90,607,150	9,113,884	21,958,939	(60,350,312)
Tax calculated at a tax rate of 20% (2018: 20%).	18,121,430	1,822,777	4,391,788	(12,070,062)
Effect:				
Difference of tax rates	(3,900,674)	(2,092,877)	-	-
Share of profit (loss) from joint venture, net of tax	(22,347,955)	(541,724)	-	-
Income not subject to tax	(1,464,001)	(8,169,846)	(12,257,714)	-
Expenses with double deductible for tax	(563,189)	(73,989)	(253,372)	(73,989)
Additional taxable income	15,369,100	9,812,827	9,812,827	9,812,827
Expenses not deductible for tax	4,221,292	2,506,090	51,933	2,397,145
Tax losses for which no deferred income tax asset was recognised	8,028,874	-	-	-
Tax charged	17,464,877	3,263,258	1,745,462	65,921

The Group's and Company's effective tax rates are 19.28% and 7.95%, respectively (2018: 35.81% and (0.11)%, respectively). The effective tax rate changes from the previous year as the result of Group's business operation.

Deferred tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. Unrecognised deferred tax assets of Baht 8.03 million relate to unused cumulative losses of Baht 40.16 million.

26 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	
	2019	2018	2019	2018
Net profit (loss) attributable to ordinary shareholders (Baht)	60,849,897	(754,619)	20,213,477	(60,416,233)
Weighted average number of ordinary shares in issue during the year (Share)	553,559,662	553,555,900	553,559,662	553,555,900
Basic earnings (loss) per share (Baht per share)	0.1099	(0.0014)	0.0365	(0.1091)

27 Related party transactions

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:

27.1 Sales of goods and services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Sales of goods				
Subsidiaries	-	-	42,702,413	23,912,246
Entities under common control	318,437,804	274,793,956	248,138,848	221,904,937
	318,437,804	274,793,956	290,841,261	245,817,183
Sales of services				
Entities under common control	36,402,714	36,284,082	36,402,714	36,284,082
Interest income				
Subsidiaries	-	-	61,338,424	10,033,919
Dividend income				
Subsidiaries	-	-	35,233,571	-
Management fee				
Subsidiaries	-	-	3,749,084	3,867,721
Other income				
Subsidiaries	-	-	216,792	-
Entities under common control	265,195	-	-	-
	265,195	-	216,792	-

27.2 Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of sales and transportation expense				
Parent company	172,400	172,400	-	-
Subsidiaries	-	-	-	5,729,391
Entities under common control	7,483,888	7,434,855	-	-
	7,656,288	7,607,255	-	5,729,391
Rental and service expense				
Parent company	3,821,051	3,768,264	3,821,051	3,768,264
Management fee				
Parent company	4,902,403	4,943,378	4,126,127	4,344,858
Entities under common control	-	341,000	-	341,000
	4,902,403	5,284,378	4,126,127	4,685,858
Other service expense				
Parent company	1,614,214	1,294,409	1,488,831	1,177,269
Entities under common control	245,203	224,427	245,203	60,000
	1,859,417	1,518,836	1,734,034	1,237,269
Finance costs				
Parent company	1,554,795	4,856,164	1,554,795	4,856,164

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables				
Subsidiaries	-	-	158,895	3,123,967
Entities under common control	39,698,484	33,981,028	26,771,962	29,778,942
	39,698,484	33,981,028	26,930,857	32,902,909
Accrued income				
Entities under common control	-	614,365	-	614,365
Interest receivables				
Subsidiaries - Current	-	-	-	373,202
Subsidiaries - Non-current	-	-	-	99,139,637
	-	-	-	99,512,839
Other receivables				
Parent company	159,242	159,242	159,242	159,242
Subsidiaries	-	-	3,757,546	6,992,323
	159,242	159,242	3,916,788	7,151,565
Dividend receivables				
Subsidiaries	-	-	7,496,284	-
Trade payables				
Parent company	13,000	13,000	-	-
Other related parties	635,370	599,362	-	-
	648,370	612,362	-	-
Accrued expense				
Parent company	657,190	540,850	554,362	460,376
Subsidiaries	-	-	58,139	4,305
Entities under common control	-	147,201	-	-
	657,190	688,051	612,501	464,681
Non-current liabilities				
Parent company	80,260	63,860	-	-
Other related parties	3,495,050	2,788,601	-	-
	3,575,310	2,852,461	-	-

27.4 Loans to subsidiaries

The loans were made to subsidiaries as follows:

	Separate financial statements	
	2019 Baht	2018 Baht
Short-term loans	220,000,000	172,823,277
Long-term loans	1,387,880,000	1,387,880,000
	1,607,880,000	1,560,703,277

The movement of short-term loans to subsidiaries is as follows:

	Separate financial statements	
	2019 Baht	2018 Baht
As at 1 January	172,823,277	259,390,530
Addition	127,000,000	175,912,000
Repayment - cash received	(79,823,277)	(147,412,053)
Repayment - conversion of debt to preference shares (Note 10.1)	-	(115,000,000)
Loss from exchange rate	-	(67,200)
As at 31 December	220,000,000	172,823,277

Short-term loans

For the year ended 31 December 2019, the movement of short-term borrowings is as follows:

The Company made loan to Sea Oil Petrochemical Company Limited of Baht 127.00 million. The Company received repayment Baht 78.00 million during the year.

The Company received repayment from Sea Oil Offshore Limited of Baht 1.82 million on 25 July 2019.

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) Ltd. The loans interest rates are at 1.55% - 5.65% per annum and the repayment term is at call.

The fair value of such loans was Baht 1,389.62 million (2018: Baht 1,423.63 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.

27.5 Long-term borrowing from a parent

On 1 September 2017, borrowing of Baht 300.00 million was made with Nathalin Co., Ltd., a parent company. The borrowing bears interest at the rate of 5.00% per annum. The repayment term is within 2 years and the maturity date is on 31 August 2019. As at 16 August 2019, the Company repaid all of the remaining borrowing.

27.6 Key management compensation

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Short-term employee benefit	34,837,880	29,521,473	26,860,530	21,957,493
Post-employee benefit	2,009,585	708,634	2,009,585	708,634
	36,847,465	30,230,107	28,870,115	22,666,127

27.7 Guarantee

1) The Company engages in letter of guarantees to subsidiaries for purchase agreement of petroleum product as follows:

Sea Oil Offshore Limited

- Guaranteed amount not exceed USD 0.65 million for 3 years ended 10 February 2020.
- Guaranteed amount not exceed USD 0.50 million for 3 years ended 31 March 2022.

Sea Oil Petroleum Pte. Ltd.

- Guaranteed amount not exceed USD 0.70 million for 1 year ended 30 November 2020.

2) 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.

3) 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.

28 Commitments and contingent liabilities

28.1 Capital commitment

Capital commitment which is not recognised in the financial statement is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Property, plant and equipment	2,438,476	-	-	-
	2,438,476	-	-	-

28.2 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 as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	17,876,809	15,025,521	2,425,585	4,156,058
1 to 5 years	45,546,768	39,809,747	1,204,125	3,113,985
More than 5 years	149,530,510	158,550,010	-	-
	212,954,087	213,385,278	3,629,710	7,270,043

28.3 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Guarantee for purchase of oil from suppliers	96,112,905	67,029,980	96,112,905	67,029,980
Guarantee for electricity used	320,000	320,000	-	-
	96,432,905	67,349,980	96,112,905	67,029,980

28.4 Litigation

- 1) On 14 November 2018, Sea Oil Petrochemical Company Limited was sued under the Labor Lawsuit by a former employee to claim Baht 8.34 million for compensation from injury while working during the fire incident occurred in the year 2017. On 28 February 2019, the subsidiary conciliated with the plaintiff by compensating amount of Baht 0.65 million. The Court approved the conciliation agreement between the plaintiff and the subsidiary. Therefore, the case is finalised.
- 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. On 10 October 2019, the Court rendered the judgement to dismiss the plaintiff's complaint. On 25 November 2019, the plaintiff submitted appealed to the Court of Appeal. Currently, the case is under the consideration process of the Court of Appeal. The Group's management believes that there will not be a material impact from this litigation cases, therefore, the Group has not recorded provision for liability in the financial statements.

29 Subsequent events

- 1) On 17 January 2020, Pan Orient Energy (Siam) Ltd. declared dividend payment for shareholders in an amount of CAD 8.60 million or equivalent to Baht 198.62 million which is the dividend income for Sea Oil Energy Limited in an amount of CAD 4.30 million or equivalent to Baht 99.30 million. Sea Oil Energy Limited received this dividend income on 23 January 2020.
- 2) On 24 January 2020, Sea Oil Energy Limited paid interest for the long-term borrowings in an amount of Baht 95.40 million to the Company which is the interest that the Company ceased to recognise during 1 February 2018 to 5 January 2020.
- 3) On 21 February 2020, the Board of Directors' meeting has resolved the following transactions to be proposed to the shareholders' meeting:
 - The decrease of the Company's authorised share capital from Baht 691,867,135 to Baht 553,559,662, by cancelling 138,307,473 authorised shares with a par value of Baht 1 each.
 - The increase of the Company's authorised share capital from Baht 553,559,662 to Baht 608,915,628, by authorised new 55,355,966 ordinary shares with the par value of Baht 1 each to support the stock dividends.
 - The stock dividend of 55,355,966 ordinary shares at par value of Baht 1 per share in the ratio of 10 existing shares per 1 share, totalling Baht 55,355,966 or Baht 0.10 per share. The cash dividend at Baht 0.01111 per share, totalling Baht 6,150,663. Total proposed dividend is 1.11111 Baht per share, or Baht 61,506,629.