

## Part 1

**Information relating to Allotment of New Shares and Warrants to Purchase Ordinary Shares  
of  
Sea Oil Public Company Limited**

**1. Date, Month, Year and no. of Board of Directors' and Shareholders' Meetings Approving the allotment of New Shares and Warrants to Purchase Ordinary Shares**

- Board of Directors' Meeting of the Company No. 8/2016 held on 10 November 2016 (**Board Meeting**)
- Extraordinary General Meeting of Shareholders No. 1/2017 held on 19 January 2017 (**EGM**)

**2. Details of Allotment of New Shares**

The Board Meeting and the EGM approved the increase of the Company's registered capital for another Baht 276,746,854, divided into 276,746,854 shares at the par value of Baht 1 each, from the existing registered capital of Baht 415,120,281, to be new registered capital Baht 691,867,135, divided into 691,867,135 shares at the par value of Baht 1 each and the allotment of 138,373,427 new shares and 138,373,427 new shares to offer to existing shareholders by way of rights issue and to reserve for the exercise of warrants to purchase ordinary shares which are allotted to shareholders who subscribe and make payment for such new shares, respectively. It is also provided that 27 January 2017 is determined as the record date which is used to determine the names of shareholders who can subscribe for new shares and the names of such shareholders will be gathered in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by closing the share register book on 30 January 2017. The conditions and details of offer and allotment are set out below.

Details of the offer of the new shares to existing shareholders by way of rights issue and issue of warrants to purchase ordinary shares to existing shareholders of the Company, which are subject to the subscription and payment for subscription and to be offered to the existing shareholders of the Company by way of rights issue, are as follows:

**2.1 New Shares**

**Type of Shares** : New ordinary shares

**Current paid up capital before capital increase** : Baht 415,120,281 divided into:

- 415,120,281 ordinary shares
- - preference shares

- Paid up capital after capital increase (if new shares are fully subscribed) : Baht 691,867,135 divided into:
- 691,867,135 ordinary shares
  - - preference shares
- Number of shares allotted to existing shareholders by way of rights issue : 138,373,427 shares
- Offering ratio : 3 existing shares to 1 new share (any fraction will be disregarded)
- Allotment method : The number of 138,373,427 new shares will be allotted in one or several tranches, by way of rights issue to the existing shareholders, whose names appear in the share register book on 27 January 2017, which is the date to determine the shareholders' names entitled to subscribe the new shares (Record date). The closing date of the share register book is fixed on 30 January 2017 in order to gather the shareholders' names in accordance with Section 225 of the Securities and Exchange Act B.E. 2535. The details of the allotment are as follows:
- 1.1 the subscription ratio is 3 existing shares to 1 new shares. Any fraction will be disregarded. The offer price equals to Baht 3.00 per share.
  - 1.2 The subscription and payment for new shares period is fixed during the period between 14 and 20 February 2017 (only business days).
  - 1.3 Any unsubscribed shares from the subscription of the existing shareholders by way of rights issue (**Unsubscribed Shares**) will during the subscription period be re-allotted to the shareholders, who wish to subscribe such Unsubscribed Shares in excess of their entitlement, [in proportion to their shareholding] at the same offer price.

- 1.4 The Board of Directors or the Executive Committee or their authorized person(s) is authorized to re-allot the Unsubscribed Shares to the shareholders who wish to subscribe such Unsubscribed Shares in excess of their entitlement until no new shares remaining unsubscribed.
- 1.5 If the number of the Unsubscribed Shares are not fully subscribed by the shareholders, the Company will re-allot such Unsubscribed Shares to all shareholders who subscribe the Unsubscribed Shares in excess of their entitlement as per their demand specified in the subscription form for excess rights.
- 1.6 If the number of the Unsubscribed Shares is less than the number of the shares subscribed by the shareholders through excess rights, the Unsubscribed Shares will be re-allotted in proportion to the shareholding of each of shareholders who subscribed the Unsubscribed Shares in excess of their entitlement. Such re-allotment will be carried out until no new shares remaining unsubscribed. The Company will return the subscription fund for unallotted new shares to the shareholders with no interest within 14 days after the end of the subscription period.

If there are new shares remaining unallotted after the subscription by way of rights issue and excess rights, such unallotted shares are subject to the capital reduction by cancelling such unallotted new shares.

In any cases, the allotment of new shares by way of excess rights shall not cause any of the Company's shareholders who subscribe the new shares in excess of their entitlement to trigger the mandatory tender offer requirements as provided in the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554

Regarding Criteria, Terms and Procedures in Acquiring Securities for Business Take Over or to violate the restriction of foreign shareholding as provided in the Company's Articles of Association, which specify that foreign shareholders may not hold shares in the Company in excess of 49 percent of the total issued shares.

## 2.2 Warrants to Purchase Ordinary Shares of the Company (SEAOIL-W)

Type of Warrants	Warrants to purchase ordinary share of the Company which are in the name certificate and transferable (SEAOIL-W) to be issued and offered to the existing shareholders who subscribe and make payment for the newly issued ordinary shares through rights issue and excess rights.
Term of Warrants	Not exceeding 1 years from the date of issue of Warrant
Number of Warrants Issued	Not exceeding 138,373,427 units
Offer Price per Unit	Baht 0.00
Exercise Ratio	1 unit of warrants to 1 ordinary share (which may subsequently be adjusted according to adjustment conditions as provided in the terms and conditions governing rights and obligations of issuer of warrants and Warrantholders (Terms of Warrants))
Exercise Price	Baht 3.00 per share (except of in case of adjustment of exercise price according to Terms of Warrants)
Issuing Date	The same day as the registration of an increase in paid up capital for the new shares issued and offered to the existing shareholders through rights issue, which will be approved by the Extraordinary General Meeting of Shareholders No.1/2559 (EGM) but in any events, not exceeding 1 year after the EGM approves the issue of warrants.

Number of reserved shares for the Exercise of the Warrants	Not exceeding 138,373,427 shares equivalent to 25 percent of the total number of issued shares after the completion of the allotment of 138,373,427 new shares by way of rights issue
The Allocation Method	<p>To allot the existing shareholders who subscribe and pay for new shares through rights issue and excess rights at the ratio of 1 new share to 1 unit of warrants. Any fractions will be disregarded.</p> <p>In this respect, after the calculation of allocation ratio above, any fractions shall be rounded down. The Company will cancel all unsubscribed warrants so that the number of warrants to be allotted to subscribers does not have fractions.</p>
Conditions and Exercise Period of Warrants	<p>Warrantheolders may exercise warrants on the last business day of each quarter (March, June, September and December) of each calendar year throughout the terms of the warrants (<b>Exercise Date</b>). The first exercise date will be the last business day of June 2017 (as the case may be) after the issuing date of the warrants ("<b>First Exercise Date</b>") and the last exercise date will be on the maturity date of the warrants ("<b>Last Exercise Date</b>").</p> <p>If the maturity date of the warrant does not fall on a business day of the SET, then, the exercise of warrant shall be made on the last business day preceding the maturity date.</p> <p>The warrants which are not exercised on any Exercise Date shall remain valid and exercisable on the following Exercise Date until the maturity date. Any unexercised warrants after the maturity date shall be cancelled and become invalid.</p>
Notification Period	The Warrantheolders who wish to exercise SEOIL-W shall deliver the notification of their intention to exercise SEOIL-W ( <b>Exercise Notice</b> ) during the period of 5 business days prior to each of the Exercise Date. For the Last Exercise

Date, the period for notifying such intention shall be at least 15 days prior to the Last Exercise Date.

Secondary Market of the Warrants	MAI
Secondary Market of New Shares	MAI
Reasons to Issue New Shares to Accommodate Adjustment of Warrants	<p>Upon the adjustment of exercise price and ratio in accordance with the Terms of Warrants, which are the events as prescribed in the notification of the Capital Market Supervisory Board No. Tor Jor 34/2551 Regarding Application and Permission for Offer of New Warrants and the Shares Issued as a Results of Exercise of Warrants</p>
Adjustment of Warrants	<p>The Company will be required to adjust the exercise price and/or ratio upon the occurrence of any of the following events:</p> <ol style="list-style-type: none"> <li>(1) in case of a change in par value of the Company's ordinary shares as a result of a combination or split of shares;</li> <li>(2) in case of the Company issuing new shares to its existing shareholders and/or the public and/or specified investors (private placement) at the net price per share of the new shares of the Company which is lower than 90 percent of the market price per share of the Company's ordinary shares;</li> <li>(3) in case of the Company issuing any new securities to its existing shareholders and/or the public and/or specified investors (private placement), which are exercisable or convertible into ordinary shares or entitled to purchase of the ordinary shares (such as convertible debentures or warrants to purchase the ordinary shares) at the net price per share of the new ordinary shares reserved for the conversion or exercise</li> </ol>

of rights, which is lower than 90 percent of the market price per share of the Company's ordinary shares;

- (4) in case of the Company distributing dividends, whether in whole or in part, in the form of stock dividend;
- (5) in case of the Company distributing cash dividends in excess of 90 percent of net profit derived from its operating results after corporate income tax as per specific financial statements in respect of any fiscal year during the term of warrants; or
- (6) in case of any events that causes the Warranholders to lose their rights and interest other than those events stated in items (1) – (5) above, the Company may adjust the exercise price and/or ratio (or the number of SEAOIL-W in lieu of the exercise ratio) in a fair manner without depriving the rights of the warrantholders.

**Other condition**

The Board of Directors or the Executive Committee or their authorized person(s) is authorized to determine and amend the terms, conditions and other details relating to the Warrants, which include the details of the offer and issue, the allotment of Warrants and the exercise of the Warrants as well as to enter into, negotiate and execute any relevant documents and agreements, prepare and submit application and any documents to the Office of the Securities and Exchange Commission, other relevant government agency and/or other relevant person(s), which also include the listing of the Warrants on the MAI, and to do things and to carry out any necessary actions relating to the Warrants, the issue of the Warrants and the listing of the Warrants on the MAI in order to complete the process as required by law.

**3. Day that Is Used to Determine the Names of Shareholders Entitled to Subscribe for New Shares and Warrants to Purchase Ordinary Shares of the Company (SEAOIL-W)**

The EGM has determined the record date which is used to determine the names of shareholders entitled to subscribe for new shares to be on 27 January 2017 and 30 January 2017 as closing date of

the Company's share register book in order to gather the shareholders' names in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (as amended).

#### 4. Subscription of and Payment for New Shares

##### 4.1 Period of Subscription and Payment for New Shares

Between 14-17 February 2017 and 20 February 2017

During 9:00 hrs. - 4:00 hrs. (Lunch Break 12.30 hr. – 1.30 hrs.)

##### 4.2 Place of Subscription and Payment for New Shares

Krungsri Securities Public Company Limited

Securities Operation Department

898 Ploenchit Tower, 3<sup>rd</sup> Floor, Ploenchit Road

Lumpini, Pathumwan, Bangkok 10330 Thailand

Telephone: (662) 659-7000 Ext. 8131-8133

Fax: (662) 658-5906-7

##### 4.3 Allotment of New Shares and Warrants to Purchase Ordinary Shares of the Company (SEAOIL-W)

###### 4.3.1 Subscription of New Shares and Warrants according to Shareholders' Entitlement or Less Than Shareholders' Entitlement

Existing shareholders who express their intention to subscribe for new shares and warrants to purchase ordinary shares of the Company (SEAOIL-W) according to their entitlement or less than their entitlement will be fully allotted the new shares and warrants according to their subscription.

###### 4.3.2 Subscription of New Shares together with Warrants which Remain Unsubscribed under Right Issue or for Any Cases

The Company will allot and offer such unsubscribed new shares (**Unsubscribed New Shares**) to existing shareholders who subscribed and paid for new shares and warrants in excess of their entitlements (**Excess Rights Shares**) at the same offering price. The executive committee or its authorized person(s) is empowered to consider allotting or offering such unsubscribed shares to the existing shareholder who subscribed and paid for the Excess Rights Shares in accordance with the criteria and conditions as follows:

- (a) If the number of the Unsubscribed Shares is less than the number of the shares subscribed by the existing shareholders through excess rights, the



Unsubscribed Shares will be re-allotted in proportion to the shareholding of each of shareholders who subscribed and paid for the Excess Rights Shares. Such re-allotment will be carried out until no new shares remaining unsubscribed. The Company will return the subscription fund for unallotted new shares to the shareholders with no interest within 14 days after the end of the subscription period.

- (b) If the number of the Unsubscribed Shares is greater than the number of the shares subscribed by the existing shareholders through excess rights, the Unsubscribed Shares will be re-allotted to all existing shareholders who subscribed and paid for the Excess Rights Shares as per their subscription.

In any cases, the allotment of Excess Rights Shares under (a) and (b) above shall not cause any of the Company's shareholders who subscribe the Excess Rights Shares to trigger the mandatory tender offer requirements as provided in the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Regarding Criteria, Terms and Procedures in Acquiring Securities for Business Take Over or to violate the restriction of foreign shareholding as provided in the Company's Articles of Association, which specify that foreign shareholders may not hold shares in the Company in excess of 49 percent of the total issued shares.

Any fraction of new shares and warrants occurring in process of the allotment of new shares to the shareholders who subscribe for new shares and warrants to purchase ordinary shares of the Company, will be disregarded.

#### **4.4 Subscription and Payment Procedures for New Shares**

- 4.4.1 Method for the subscription and the payment of the newly issued ordinary shares together with the warrants

The existing shareholders, who wish to subscribe for the newly issued ordinary shares together with the warrants, must fill in the details correctly, completely and clearly as well as affix the subscriber's signature in the Subscription Form for the newly issued ordinary shares together with the warrants. The subscriber or authorized person must submit the documents supplementary to the subscription and the payment in full for the newly issued ordinary shares together with the warrants through the bill payment system only:

4.4.1.1 Payment by fund transfer through the bill payment system

The existing shareholders use the Bill payment pay-in slip (Enclosure No. 5) by filling in the complete information and specify Ref.1 as the 13 digits of Identification Number and specify Ref.2 as the 10 digits of Shareholder Registration No. (as appears in the Certificate of shares subscription, Enclosure No. 4) and the payment must be made at the counter of Bank of Ayudhya Public Company Limited only. Please also specify name-surname and telephone number in the bill payment.

4.4.1.2 Payment by cheque or cashier's cheque or bank draft (dated within February 15, 2017)

Cheque or cashier's cheque or bank draft must be able to be cashed by the same clearing house within the next business day by crossing 'to be paid into the payee's account' (AC Payee Only) payable to "KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED FOR SUBSCRIPTION" together with the Bill payment pay-in slip filled in the complete information. Please also specify name-surname and telephone number in the bill payment.

Received with the subscription documents February 14, 2017 between 9.00 hrs. to 16.00 hrs. (lunch break 12.30 hrs. to 13.30 hrs.) and February 15, 2017 between 9.00 hrs. to 12.00 hrs. (lunch break 12.30 hrs. to 13.30 hrs.)

The subscriber is required to arrange the instrument payable as a personal cheque or cashier's cheque or bank draft for 1 instrument per 1 Subscription Form for the newly issued ordinary shares together with the warrants. Please also specify name-surname and telephone number in the bill payment.

4.4.2 Other conditions of subscription:

- The existing shareholders who have subscribed for the newly issued ordinary shares together with the warrants and has paid the subscription fee is not entitled to cancel the subscription.
- In the case that the payment of subscription is made by personal cheque or cashier's cheque or bank draft, the payment shall be complete upon the clearance of cheque by the paying bank. The subscription of the newly issued ordinary shares together with the warrants shall be complete only upon the

collection of payment by the Company and/or subscription registrar's representative.

- If the existing shareholders who subscribed are unable to pay the subscription fee or fail to proceed according to the method of payment for the subscription fee and comply with the conditions and required method in order to enable the collection of payment to be completed within the subscription period, or the Company and/or the subscription registrar's representative is unable to collect the payment of subscription fee (in whatsoever cases which are not the fault of the Company and/or the subscription registrar's representative) whether in whole or in part within the determined subscription period, or subscribed by other methods which are not stipulated in this Letter notifying the allocation of newly issued ordinary shares together with the warrants of the Company, or submits incomplete documents supplementary to the subscription, the Company and/or the subscription registrar's representative shall deem that the existing shareholders waive their rights to subscribe for such newly issued ordinary shares together with the warrants. The Company and/or the subscription registrar's representative reserves the right to not allocate the newly issued ordinary shares together with the warrants to such existing shareholders.
- In case that the subscribers fill in information in the documents supplementary to the subscription which is incomplete, unclear or irrelevant, the Company and/or the subscription registrar's representative reserves the right to use the information in the documents supplementary to the subscription as it deems appropriate for allocating the newly issued ordinary shares together with the warrants. However, in such case, the Company and/or the subscription registrar's representative is entitled to deem that the existing shareholders waive their rights to subscribe the newly issued ordinary shares together with the warrants. In addition, The Company and/or the subscription registrar representative reserves the rights to not allocate the newly issued ordinary shares together with the warrants to such existing shareholders.
- In the case that the allocation of the newly issued ordinary shares together with the warrants both in the 1<sup>st</sup> round or the allocation to the existing shareholders who subscribed in excess of their rights causing the proportion of ordinary shareholding by the foreign shareholders to be over 49 percent of the total number of issued and sold shares of the Company or causing the shareholders who subscribed in excess of their rights to hold the Company's shares in the

manner that increasingly reaches or exceeds the trigger point that requires the Tender Offer to be made as required under the Notification of the Capital Market Supervisory Board No. TorJor 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (“**Notification No. TorJor. 12/2554**”), the Company reserves the right to not allocate the newly issued ordinary shares together with the warrants to such foreign shareholder/shareholder. Such foreign shareholder/shareholder may not be allocated or may be allocated the newly issued ordinary shares together with the warrants partially. In such case, the Company shall not compensate the damages to such shareholder and such shareholder is not entitled to claim any damages against the Company. In this regard, the Company, by the subscription registrar’s representative, shall refund the subscription fee of the newly issued ordinary shares together with the warrants, for the portion which has not been allocated or not allocated in full, to the subscriber (as specified in Clause 5.6).

- The Company, by the subscription registrar’s representative, does not accept the subscription of the newly issued ordinary shares together with the warrants via registered mail.
- In the case the existing shareholders received the Certificate of shares subscription of more than 1 shareholder’s registration no., the existing shareholders must prepare the documents supplementary to the subscription according to the number of shareholder’s registration nos. for which the existing shareholder has received the Certificate of shares subscription. On the other hand, 1 set of documents supplementary to the subscription is permitted per 1 shareholder’s registration no. only. If the existing shareholder subscribed with one shareholder’s registration no. by combining the rights to be allocated of the newly issued ordinary shares together with the warrants of all shareholder’s registration no. into a single item, or specifies such information in the same document supplementary to the subscription, the subscriber may be allocated the newly issued ordinary shares together with the warrants which are not in the full amount according to the rights available of all shareholder’s registration nos. The Company and/or the subscription registrar’s representative reserves the right to allocate the newly issued ordinary shares together with the warrants to the subscriber as it deems appropriate or not allocate the newly issued ordinary shares together with the warrants to such subscriber.

- In the case of any problem, obstacle or limitation which occurs as a result of this arrangement, the Company reserves the rights to change the details of subscription method and the payment of subscription fee for the newly issued ordinary shares together with the warrants, and implement other conditions for the subscription as appropriate in order to benefit the subscription of the newly issued ordinary shares together with the warrants of the Company.

#### 4.5 Documents supplementary to the subscription of the newly issued ordinary shares together with the warrants

4.5.1 The Subscription Form for the newly issued ordinary shares together with the warrants (Enclosure No. 2) shall be filled in correctly, completely and clearly with the subscriber's signature affixed. The shareholder can submit 1 set of Subscription Form for the newly issued ordinary shares together with the warrants per 1 set of the Certificate of shares subscription (Enclosure No. 4) only.

4.5.2 Evidence of payment are as follows:

- The original Bill payment pay-in slip (In the case of the payment of newly issued ordinary shares together with the warrants by fund transfer) (Enclosure No.5) or
- Cheque or cashier's cheque or bank draft (which the settlement can be done within 1 business day only) together with bill payment pay-in slip, filled complete information i.e. specifying name, surname, 10 digits of shareholders registration number and 13 digits of Identification Number, including specifying name, surname, telephone number on the back page of the evidence of payment. The subscription registrar's representative reserved its right not to accept any subscription if the subscriber or securities company which the subscriber has trading account (including which is an agent for gathering subscription documents and then submit such documents to the subscription registrar's representative) does not complete the details required in the bill payment pay-in slip.

4.5.3 Certificate of shares subscription (if any) (Enclosure No. 4) issued by Thailand Securities Depository Company Limited ("Securities Depository") in the capacity of the Company's registrar, and delivered via registered mail to the existing shareholders together with this letter. In this regard, the shareholders must separately fill in the Subscription Form for the newly issued ordinary shares together with the warrants for 1 set only per 1 set of the Certificate of shares subscription.

4.5.4 Identification documents

- Thai individual

Copy of unexpired identification card and signed to certify true copy. In the case of the absence of identification card, a copy of their house registration with the 13 digits identification no. or a copy of other public documents issued by governmental authorities with the 13 digits identification no. must be attached and signed to certify true copy. In case of a change of name/surname, causing the name/surname to be different from the shareholder's name that appears in the share register book as at January 17, 2017 or in the Certificate of shares subscription, a copy of documents issued by governmental units must be attached, such as the marriage certificate, divorce certificate, certificate of the change of name/surname, etc., and signed to certify true copy.

- Foreign individual

Copy of alien certificate or copy of unexpired passport, and signed to certify true copy.

- Juristic person registered in Thailand

Copy of the company affidavit issued by the Ministry of Commerce not more than 12 months before the subscription date, and signed to certify true copy by the authorized signatory of such juristic person with the juristic person's seal affixed (if any) together with a copy of identification card, copy of alien certificate or copy of passport (as the case may be) of the authorized signatory of such juristic person, and signed to certify true copy.

- Juristic person registered in overseas country

Copy of the certificate of incorporation of the Company, or the memorandum of association, or the company affidavit issued not over 6 months before the subscription date, and signed to certify true copy by the authorized signatory of such juristic person with the juristic person's seal affixed (if any) together with a copy of alien certificate or copy of passport (as the case may be) of the authorized signatory of such juristic person, and signed to certify true copy. Copy of supplementary documents which are already certified true copy must be certified by a Notary Public and endorsed by the officer of Thai Embassy or the Thai Consular in the country that such documents are

prepared or certified as correct, with the issuance of not over 6 months before the subscription date.

4.5.5 Power of Attorney with 30 Baht stamp duty affixed (in the case of granting the grantee to proceed on its behalf) together with copies of the identification cards of the subscriber and the grantee, certified true copy.

4.5.6 For the person who wishes to deposit the newly issued ordinary shares together with the warrants into the account of the Warrant Issuer being member no. 600 in the name of the subscriber, please fill in the details in "Additional documents supplementary to the securities subscription specifically for the person who wishes to deposit the securities into the account of the Warrant Issuer (Issuer Account) only" (Enclosure No. 3) to be submitted to Securities Depository.

The signatures on all supporting documents in relation to identification shall be consistent with the signatures on supporting documents in relation to share subscription of the Company.

**4.6 Refund of subscription fee for the newly issued ordinary shares together with the warrants to the existing shareholders in the case that the allocation of ordinary shares is not in the full amount of the number subscribed for in excess of rights**

In the case that a shareholder gives notice of its intention to subscribe for the newly issued ordinary shares together with the warrants in excess of its rights and has already paid the subscription fee for the newly issued ordinary shares together with the warrants both in the portion subscribed according to its rights and in excess of its rights (Excess Right) in full but still not allocated the newly issued ordinary shares together with the warrants subscribed for in excess of its rights as notified in its intention or not allocated in the full amount as subscribed for in excess of its rights, the Company by the subscription registrar's representative shall arrange the refund of the subscription fee for the newly issued ordinary shares for the portion which is not allocated or not allocated in the full amount without any interest and damages. The subscription registrar's representative shall arrange the refund by a cheque crossed with the specific name of the subscriber only within 10 business days from the closure date of subscription, and deliver via registered mail according to the address that appears in the database of the Company's shareholders in the share register book as of January 30, 2017. In case of a refund in the form of a cheque, the subscriber shall be responsible for the fees due to a different clearing house or bank cheque (if any).

In this regard, in whatsoever cases, if a cheque is delivered via registered mail to the subscriber according to the address that appears in the database of Company's shareholder in the share

register book as of January 30, 2017, it shall be deemed that the subscriber has duly received the subscription fee for the portion which is not allocated or not allocated in full of the number as subscribed in excess of rights, and the subscriber is not entitled to further claim for any interest and/or damages from the Company or the subscription registrar representative.

#### **4.7 Delivery method for securities**

- 4.7.1 In case that the subscriber wishes to deposit the shares into the account of securities company with which the subscriber currently has the securities account opened, the Company shall arrange for the allocated shares to be deposited with “Thailand Securities Depository Company Limited for the depositor”. Securities Depository and the securities company shall record the number of shares that the subscriber deposited and issue the evidence of deposit to the subscriber within 7 business days from the closure date of subscription.
- 4.7.2 In case that the subscriber wishes to deposit the shares into the account of the Warrant Issuer company being the member no. 600, the Company shall arrange the allocated shares to be deposited with “Thailand Securities Depository Company Limited”. The subscribers (only who wish to deposit securities into issuer account) shall fill in the information and sign on “the supporting documents in relation to securities subscription” and fill in the information in questionnaire checking the status of FATCA (Foreign Account Tax Compliance Act), and also attach such documents to the subscription registrar’s representative. The Securities Depository shall record the number of shares that the subscriber deposited into such account in the name of the subscriber and issue the evidence of the deposit to the subscriber within 7 business days from the closure date of subscription.
- 4.7.3 In case that the subscriber wishes to collect the share certificate and warrant certificate in the name of the subscriber, the Securities Depository, in the capacity of the Company’s registrar, shall deliver the share certificate and warrant certificate according to the allocated numbers to the person who has been allocated via registered mail according to the name and address that appears in the database of the shareholders of the Company in the share register book as of January 17, 2017 within 15 business days from the closure date of subscription.

#### **4.8 Other significant information regarding the subscription of newly issued ordinary shares together with the warrants**

- 4.8.1 The existing shareholders who ordered the subscription shall receive the evidence of appointed subscription signed to acknowledge receipt by the officer who accepted the subscription to be the evidence of the subscription of newly issued



ordinary shares together with the warrants. The subscription shall complete if the subscription payment is made to the Company.

- 4.8.2 The existing shareholders who have not exercised the right to subscribe for the newly issued ordinary shares together with the warrants or have not paid the money within the date and time prescribed, or the cheque, or cashier's cheque, or bank draft payable is unable to be cashed within the payable date, the Company shall deem that such shareholders waive their rights to subscribe for the newly issued ordinary shares together with the warrants for this time.
- 4.8.3 If the number of shares that the existing shareholders specified in the Subscription Form for the newly issued ordinary shares together with the warrants is more than the amount of money that the Company has received, the Company reserves the rights to mainly rely on the amount of money that the Company has received from the subscription.
- 4.8.4 If the number of shares that the existing shareholders specified in the Subscription Form for the newly issued ordinary shares together with the warrants is less than the amount of money that the Company has received, the Company reserves the rights to exercise its discretion to allocate the newly issued ordinary shares together with the warrants to each shareholder as the Company deems appropriate.
- 4.8.5 The shareholders who exercised the rights to subscription must correctly specify the code of the securities company (as specified on the back page of the Subscription Form) with which the shareholder currently has the securities account and securities account no. intended for the allocated shares to be transferred into such account. The name of the securities account holder specified in the Subscription Form must be the same as the name of subscriber. If the code of securities company or the securities account no. are specified incorrectly or specify the securities account no. of another person, the newly issued ordinary shares together with the warrants shall not be able to be transferred into the securities account. In such case, the Company shall not be responsible for the loss of shares and warrants or the delay for retrieving the shares and warrants. In addition, the Company reserves the right to deliver such shares and warrants by issuing the share certificate and warrant certificate according to the allocated number under the name of the subscriber and deliver the share certificate and warrant certificate to the name and address that appears in the database of shareholders of the Company according to the share register book as at January 30, 2017 within 15 business days from the closure date of subscription. However, the Company shall not be responsible in the case that the shareholder is

unable to sell the allocated shares and warrants on the first business date of the transaction.

4.8.6 The Company reserves its right to change any condition for the Company's share subscription, methods of payment for share subscription and/or any information in relation to the process of share subscription as appropriate in case that there is any problems, obstacles, or limitation in operation for the benefits to the Company's share subscription.

4.8.7 In case that the subscriber does not submit the required documents within the subscription period, resulting in the Company cannot identify the identity of the subscriber. The Company shall deem that such shareholder waive its right to subscribe and the Company reserves its right not to allocate securities to such shareholders.

## 5. Objectives of Capital Increase and Utilization of Capital Increase Funds

According to the Company's investment plan, it wishes to invest in the solar power plant business and a solar power plant management business (collectively as the "Project"). The Company will use the fund derived from this capital increase of approximately Baht 188,000,000 as investment fund for the Projects and its future development of the Projects. It is expected that the fund raised from capital increase will be utilized in February 2017.

The remaining balance from the investment, approximately Baht 227,000,000 will be reserved for working capital and enhancing liquidity of the Company's subsidiaries operations;

- 1) Seoail Offshore Limited Malaysia : approximately Baht 90,000,000; and
- 2) Seoail Petroleum Pte. Ltd: approximately Baht 137,000,000 for the market expansion and increase of fuel sales capacity. This would lead to an increase in fuel sales which shall increase profitability.

In this regard, in case the investment in the solar power plant is disapproved by the shareholders meeting, the Company has its plan to utilize its additional fund, approximately Baht 180,000,000, for the improvement of Condensed Refinery Project and to reserve for working capital and enhancing of liquidity of Company's subsidiaries operation as mentioned above.

## 6. Benefits which the Company will receive from the capital increase/share allotment:

6.1 The Company will have funding source for investing in 10 solar power plant projects, which are expected to generate annual return of 10 per cent or more.

6.2 The Company will have funding source to expand its business in the future as well as to use as working capital and to enhance its liquidity for business operation and strength of capital structure.

**7. Dividend Policy and Right of Shares Subscribers to Receive Dividend**

**7.1 Dividend policy**

The Company has a policy to pay dividend not less than 30% of net profit after deducting corporate income tax and legal reserve as required by law and its Articles of Association in the relevant year.

**7.2 Rights of shares subscribers to receive dividend from operating results**

Subscribers of new shares will be entitled to receive dividend from operating results from the date that they are registered as the Company's shareholders.

**7.3 Rights of warrant holders who exercise warrants to purchase ordinary shares to receive dividend from operating results**

The new shares derived from the exercise of warrants will be entitled and have same status as new shares in the Company and will be entitled to dividend from the exercise date and the date that their names are registered in the share register book upon the registration with the Ministry of Commerce.

**8. Other Details Necessary for Decision Making of Investment in Shares in the Company**

**Control Dilution**

- If all shareholders subscribe for all shares according to their rights and exercise all warrants held, there is no control dilution. The control dilution will not affect the existing shareholders if all shareholders do not subscribe for new shares. The Company will reduce its registered capital by cancelling all unsubscribed shares as a result the number of issued shares will not change and there is no effect to shareholding percentage.
- If all warrants are fully exercised but the warrant holders exercising warrants are not the existing shareholders, the existing shareholders will be affected by control dilution. The shareholding percent of the existing shareholders will reduce by 20.0 percent compared with the shareholding percentage before issuing the warrants.

Price Dilution

- After issuing new shares but before issuing warrants: the price dilution of the Company's shares will approximately be 8.39 percent.

Remarks: The share price of the Company before issuing new shares and warrants which is used for calculation of price dilution is the weighted average price 7 days prior to the Board of Directors' meeting, which equals to Baht 4.51 per share.

- After issuing warrants : the price dilution of the Company's shares will approximately be 13.42 percent.

Remarks: The share price of the Company before issuing new shares and warrants which is used for calculation of price dilution is the weighted average price 7 days prior to the Board of Directors' meeting, which equals to Baht 4.51 per share.

## Part 2

### Preliminary Information of Listed Company

#### 1. Name and Place of Business of Listed Company

Name: Sea Oil Public Company Limited (the **Company**)

Place: 88 Soi Bangna-Trad 30, Bangna-Trad Road, Kwaeng Bangna, Khet Bangna, Bangkok

Telephone: 02-398-9850-1

Facsimile: 02-398-9852

#### 2. Summary of Information relating to Company and Subsidiary and Business Operation

Sea Oil Public Company Limited (**Company**) is the company within Nathalin Group and registered its incorporation as juristic person on 26 May 1997 with the registered capital of Baht 1,000,000. The Company became the listed company on and had its shares traded on the Market for Alternative Investment on 5 September 2013. As at 30 September 2016, the Company's total registered capital and registered paid up capital equal to Baht 417,036,710 and Baht 415,120,281, respectively.

The Company has 2 core businesses as follows:

##### (1) Business of Distribution of Fuel Oil and Lubricant to Clients in Land and by Sea

The Company sells fuel and lubricants upon specific requirements of its customers. The customers issue specifications of fuel and lubricants. Upon receiving orders from customers, the Company will supply products according to requirements of the customers which was sourced from major oil producers or traders, for example, PTT Plc., The Shell Company of Thailand, Bangchak Petroleum Plc., Chevron Thailand, IRPC Plc. and Thairoil Plc. In case the customers require transportation service, the Company will hire qualified independent transporters to deliver the products to the specified destination. Bunker barge will carry products to the customers anchored off the coast. For the customers anchored at sea port, truck or bunker barge will be used to deliver products. Truck is used as vehicle to carry product to the onshore customers. The followings are products that the Company sells.

##### a) Fuel is divided into three types as follows:

High Speed Diesel is the type of fuel that is sold most in Thailand. During 2013 to 2015, high speed diesel was accounted for 56.75 per cent and 55.19 per cent of the total fuel sold in the country, respectively (Source: Department of Energy Business, Ministry of Energy) because it is suitable for used in Diesel Engine of 1000RPM or above such as oil vessels, fishing boats, passenger boats, pick-up trucks, trucks,

buses, engines or machines used in agriculture and machines used in industrial factories.

Fuel Oil is the most important type of fuel in the industry because it is cheap, easy to use, and generates high heat with no ash. Fuel Oil helps reduce sulfur dioxide emitted into the air due to combustion. Among the various products derived from petroleum oil, fuel oil is the cheapest. Due to its characteristics, fuel oil is suitable for boat engines and boilers in industrial factories. Fuel Oil may also be used with large diesel engines of slow to medium speed which are used to drive vessels and electricity generator. In 2013 to 2015, the sales volume of fuel oil accounted for approximately 5.85, 5.57 and 5.14 per cent of all fuels sold in the country, respectively (source: Department of Energy. Ministry of Energy).

Gasoline is the fuel that evaporates easily. It is a combination of several types of light oils at an appropriate ratio and improved with various additives to reach the quality of the oil as prescribed in the requirement of Ministry of Energy. Gasoline is suitable for use with gasoline engines of internal combustion engines with a spark plug to ignite the engine. Gasoline is divided into categories based on the value of octane including Octane 91 and Octane 95. In 2013 to 2015, the sales volume of gasoline accounted for approximately 22.34, 23.01 and 23.01 per cent of all fuel sold in the country, respectively (source: Department of Energy. Ministry of Energy).

The Company sells gasoline to orders of customers who are fuel traders in foreign countries by procuring gasoline from other countries to supply to foreign customers such as customers from Cambodia.

The Company has now been registered as a fuel trader in accordance with section 10 of the Fuel Trade Act B.E. 2543. The oil traders under Section 10 are the traders whose sales volume of each type of fuel or a combined sales of all types of fuel totals to 30,000 metric tons (approximately 36 million liters), but not exceeding 100,000 metric tons (approximately 120 million liters), or in case of LPG trades, whose sales volume of a single type of LPG is 30,000 metric tons but not exceeding 50,000 metric tons per year, or whose tank can store each type of fuel or combined fuel of more than 200,000 liters. Annual sales volume of fuel refers to the volume of each type of fuel imported in the country, purchased, produced, or refined in each year excluding the volume procured as legal reserve.

b) Lubricant

Lubricant contains two important components - base oil and additive. Oil is used to reduce friction of the object in friction and by its properties, it can flow through various

points which help transfer the heat of the engine and machines, coat gaps between touching surfaces, wash the soot and metal particles off the engine, prevent corrosion from rust and acid, and prevent leak of engine compression ratio. There are several types of lubricants, each of which is suitable for use in different engines or machines.

The Company sells lubricants for use with engines such as engine lubricant, transmission oil, hydraulic oil, lubricant for main engine), turbine and compressor lubricants.

(2) **Catering and Housekeeping Service, General Supply and other services**

The Company operates two types of service businesses:

- a) Catering and Housekeeping Service – This service is offered to permanent employees who work in oil and gas drilling business on an accommodation barge, an accommodation rig and an onshore and offshore oil and gas drilling rigs. The catering and housekeeping service is divided as follows:
- Catering service for residents and visitors and meal boxes for employees working outside the accommodation barge;
  - Housekeeping service, preparation of equipment and tools, pest control service, garbage management for common areas and living quarters according to hygiene standard;
  - Laundry, cleaning, and organizing bed sheets, pillow covers, blankets, towels, bed, and ironing service to residents and visitors.

The Company subcontracts such services on accommodation barge to Nathalin Offshore Company Limited, the concessionaire for accommodation barges.

b) General supply of food ingredients and related services

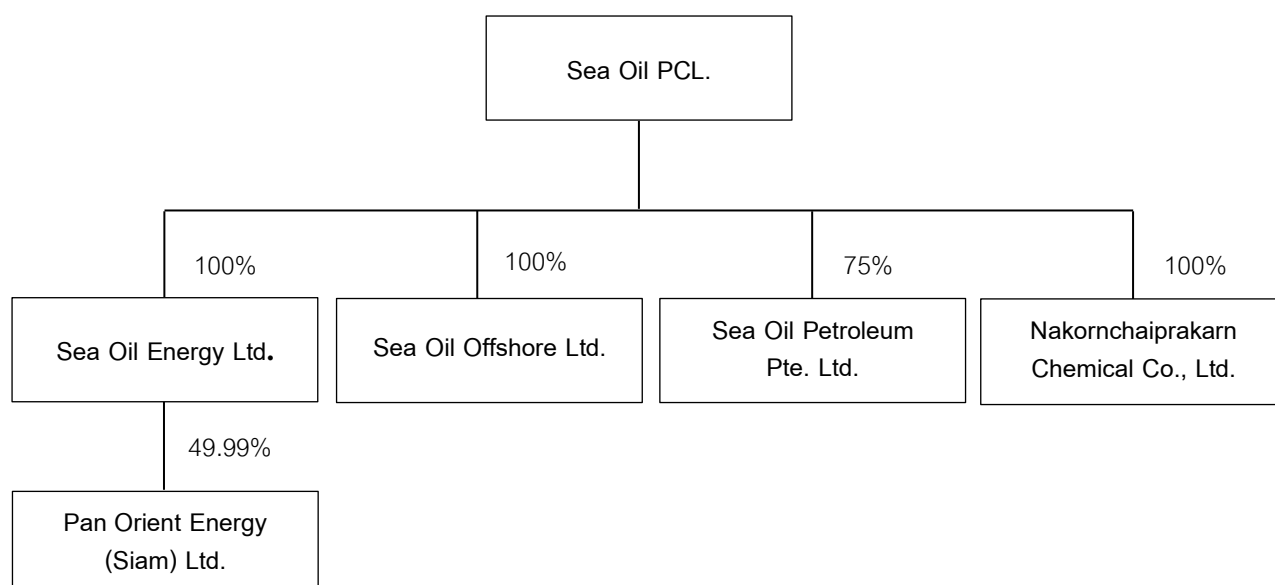
This business is built on catering and service which supplies ingredients for food preparation, procurement of supplies and services for the marine and oil drilling rig, such as food, water, tools, etc. The Company provides raw material for use in preparation of food supplies and other goods or services according to customers' required quality and hygiene for various vessels and oil drilling rigs, which need food and consumable supplies throughout the operation.

Currently, the Company is qualified in the PTTEP's vendor list to provide Catering and Service in the designated territories, thus, it is able to bid for Catering and Service itself. The Company has also been contracted by PTTEP as a certified vendor for Catering and Housekeeping Service as follows.

- In July 2013, the Company was contracted for Catering and Housekeeping Service at PTTEP production Station, Sirikit Oil Field at Lankrabue, Kampaengphet Province.
- In February 2014, the Company was contracted by PTTEP for Offshore Catering, Laundry, Cleaning and Housekeeping Services for PTTEP's employees stationed at oil drilling rigs in the Gulf of Thailand.

The Company subcontracts catering and housekeeping service to Hadsadin Catering Co., Ltd who prepares and supplies food and laundry service due to its experience in the food service business, housekeeping, and laundry as well as being equipped with personnel, equipment, machines for providing quality service.

#### Shareholding Structure of the Company as at 30 September 2016



#### Details of Subsidiaries and Related Companies

Currently, the Company holds shares in 4 different subsidiaries, which are divided as per its nature of business as follows:

Names of Companies	Nature of Business	Shareholding Percentage %	Registered Paid Up Capital
1. Sea Oil Energy Limited	Investing in other companies	100.00	USD 1
2. Sea Oil Offshore Limited	Distributing fuel and other related products	100.00	USD 30,000



Names of Companies	Nature of Business	Shareholding Percentage %	Registered Paid Up Capital
3. Sea Oil Petroleum Pte.Ltd.	Distributing fuel and other related products	75.00	USD 1,000,000
4. Nakornchaiprakarn Chemical Co., Ltd.	Producing and distributing solvent and related products	100.00	THB 150,000,000
5. Pan Orient Energy (Siam) Ltd.	Exploring, developing and producing petroleum and natural gas	49.99	USD 19,728

5.2 Summary Table of Consolidated Financial Statements of Company and Subsidiaries during  
Period between 2013 to 2015 and 9 month period Ended as at 30 September 2016

	Dec 31, 2014		Dec 31, 2015		Dec 31, 2016	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalent	549	44.75	342	15.77	294	12.84
Trade receivables and other receivables -net	627	51.13	410	18.90	494	21.59
Short term loans to related parties (subsidiaries)	0	0.00	0	0.00	0	0.00
Goods in transit	0	0.00	3	0.13	1	0.05
Other current assets	23	1.91	15	0.67	18	0.79
<b>Total current assets</b>	<b>1,200</b>	<b>97.79</b>	<b>769</b>	<b>35.47</b>	<b>807</b>	<b>35.27</b>
<b>Non-current assets</b>						
Restricted bank deposits	0	0.00	0	0.00	1	0.03
Investment in subsidiary companies	0	0.00	0	0.00	0	0.00
Investment in associated companies	0	0.00	1,342	61.91	1,308	57.15
General Investments – related activities	18	1.43	18	0.81	18	0.77
Long-term loans to subsidiary companies	0	0.00	0	0.00	0	0.00
Equipments - net	3	0.23	6	0.27	126	5.49
Intangible assets - net	3	0.22	3	0.14	3	0.13
Deferred income tax assets	4	0.34	2	0.11	2	0.08
Other non-current assets	0	0.00	28	1.28	25	1.08
<b>Total non-current assets</b>	<b>27</b>	<b>2.21</b>	<b>1,399</b>	<b>64.53</b>	<b>1,482</b>	<b>64.73</b>
<b>Total Assets</b>	<b>1,227</b>	<b>100.00</b>	<b>2,167</b>	<b>100.00</b>	<b>2,289</b>	<b>100.00</b>

	Dec 31, 2014		Dec 31, 2015		Dec 31, 2016	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short term loan from financial institutions - net	80	6.55	0	0.00	0	1.00
Accounts payable and other payable	56	4.57	75	3.46	123	5.37
Accrued corporate income tax	7	0.53	0	0.01	0	0.00
Debentures with one year of redemption period					998	43.59
Other current liabilities	3	0.25	14	0.66	6	0.26
<b>Total current liabilities</b>	<b>146</b>	<b>11.90</b>	<b>89</b>	<b>4.13</b>	<b>1,126</b>	<b>49.22</b>
<b>Non - current liabilities</b>						
Debentures	0	0.00	996	45.97	0	0.00
Employees' defined benefit obligation	2	0.18	3	0.13	3	0.15
<b>Total non - current liabilities</b>	<b>2</b>	<b>0.18</b>	<b>999</b>	<b>46.10</b>	<b>3</b>	<b>0.15</b>
<b>Total liabilities</b>	<b>148</b>	<b>12.09</b>	<b>1,089</b>	<b>50.23</b>	<b>1,130</b>	<b>49.36</b>
<b>Shareholders' equity</b>						
<b>Authorized share capital</b>						
417,036,710 ordinary shares at Baht 1	315	25.68	379	17.49	417	18.22
<b>Issued and Paid-up Share Capital</b>						
415,120,281 ordinary shares at Baht 1	210	17.12	360	16.61	415	18.14
Premium on share capital	162	13.20	582	26.85	656	28.67
Share subscription received in advance	525	42.80	0	0.00	0	1.00
Retained earnings						
Appropriated - Legal capital reserve	18	1.47	23	1.07	23	1.02
Unappropriated	162	13.23	114	5.24	59	2.58
Other components of shareholders' equity	1	0.10	0	0.00	-1	-0.04
<b>Total Parent Company Shareholders' Equity</b>	<b>1,078</b>	<b>87.91</b>	<b>1,079</b>	<b>49.77</b>	<b>1,153</b>	<b>50.37</b>
Non-controlling interests.	0	0.00	0	0.00	6	0.27
<b>Total shareholders' equity</b>	<b>1,078</b>	<b>87.91</b>	<b>1,079</b>	<b>49.77</b>	<b>1,159</b>	<b>50.64</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,227</b>	<b>100.00</b>	<b>2,167</b>	<b>100.00</b>	<b>2,289</b>	<b>100.00</b>

## Statements of comprehensive income

	Dec 31, 2014		Dec 31, 2015		Year 2015 (Jan - Sep)		Year 2016 (Jan - Sep)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenue from sales	2,812	91.41	2,552	92.16	1,872	91.45	2,620	94.58
Revenue from services	260	8.45	217	7.84	174	8.49	148	5.34
Other revenues	4	0.14	33	1.19	1	0.07	2	0.08
<b>Total revenues</b>	<b>3,076</b>	<b>100.00</b>	<b>2,769</b>	<b>100.00</b>	<b>2,047</b>	<b>100.00</b>	<b>2,770</b>	<b>100.00</b>
Cost of goods sold	-2,609	-92.79	-2,311	-90.54	-1,693	-90.46	-2,397	-91.49
Cost of services	-244	-93.78	-204	-94.15	-163	-93.90	-140	-94.49
<b>Gross profit</b>	<b>223</b>	<b>7.26</b>	<b>287</b>	<b>10.36</b>	<b>191</b>	<b>9.31</b>	<b>233</b>	<b>8.42</b>
Selling expenses	-62	-2.01	-84	-3.02	-57	-2.80	-71	-2.55
Service expenses	-54	-1.77	-85	-3.07	-54	-2.62	-80	-2.89
<b>Profit (Loss) from exchange rate - net</b>	<b>3</b>	<b>0.10</b>	<b>4</b>	<b>0.15</b>	<b>4</b>	<b>0.19</b>	<b>-9</b>	<b>-0.34</b>
Financial costs	-3	-0.11	-51	-1.86	-37	-1.80	-42	-1.51
<b>Profit (Loss) from joint venture and income tax</b>	<b>107</b>	<b>3.47</b>	<b>71</b>	<b>2.57</b>	<b>47</b>	<b>2.28</b>	<b>31</b>	<b>1.12</b>
Participating profit (loss) from joint venture	0	0.00	-46	-1.66	-33	-1.59	-34	-1.22
Profit before income tax	107	3.47	25	0.91	14	0.69	-3	-0.10
Income tax expense	-21	-0.69	-19	-0.67	-17	-0.82	-14	-0.52
<b>Annual Profits</b>	<b>85</b>	<b>2.78</b>	<b>7</b>	<b>0.23</b>	<b>-3</b>	<b>-0.13</b>	<b>-17</b>	<b>-0.61</b>

	Dec 31, 2014		Dec 31, 2015		Year 2015 (Jan - Sep)		Year 2016 (Jan - Sep)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Profit (Loss) from the defined benefit obligation after retirement – net from tax	-2	-0.05	0	0.00	0	0.00	0	0.00
Profit (Loss) from the transformation of exchange rate	1	0.04	-1	-0.04	-1	-0.06	-1	-0.04
<b>Total comprehensive income in year</b>	<b>85</b>	<b>2.77</b>	<b>5</b>	<b>0.19</b>	<b>-4</b>	<b>-0.19</b>	<b>-18</b>	<b>-0.66</b>
<b>Apportion profit (loss) net</b>								
Part of parent company shareholders' interest	85	2.78	7	0.23	-3	-0.13	-17	-0.60
Part of minority shareholders' interest	0	0.00	0	0.00	0	0.00	0	-0.01
	<b>85</b>	<b>2.78</b>	<b>7</b>	<b>0.23</b>	<b>-3</b>	<b>-0.13</b>	<b>-17</b>	<b>-0.61</b>
<b>Apportion comprehensive income</b>								
Part of parent company shareholders' interest	85	2.77	5	0.19	-4	-0.19	-18	-0.64
Part of minority shareholders' interest	0	0.00	0	0.00	0	0.00	-1	-0.02
	<b>85</b>	<b>2.77</b>	<b>5</b>	<b>0.19</b>	<b>-4</b>	<b>-0.19</b>	<b>-18</b>	<b>-0.66</b>
<b>Basic earnings profit (loss) per share</b>	<b>0.36</b>		<b>0.02</b>		<b>-0.04</b>		<b>-0.01</b>	

Note : The ratio of Profit and loss statement was presented as a percentage of total revenues, except for the cost of goods sold and cost of services which was presented as a percentage of revenues from sales and services, respectively.

**Statement of cash flow**

	Year 2014	Year 2015	Year 2015 (Jan - Sep)	Year 2016 (Jan - Sep)
Cash provided (used) from operating activities	-20	184	194	-2
Cash provided (used) from investing activities	-132	-1,260	-1,260	4
Cash provided (used) from financing activities	599	871	957	-45
<b>Cash and cash equivalents increase (decrease)-net</b>	<b>447</b>	<b>-205</b>	<b>-109</b>	<b>-43</b>
Cash and Cash Equivalents at beginning of the period	102	549	549	342
Profit (Loss) from exchange rate of Cash and Cash Equivalents	1	-2	1	-5
<b>Cash and cash equivalents at ending of the period</b>	<b>549</b>	<b>342</b>	<b>441</b>	<b>294</b>

**Significant financial ratio**

Liquidity Ratio	Time	8.21	8.59	8.59	0.72
Gross profit margin	%	7.26	10.36	9.31	8.42
Net profit margin	%	2.78	0.23	-0.13	-0.61
Debt to Equity ratio	Time	0.14	1.01	1.01	0.98

### 5.3 Explanation and Analysis Financial Position and Operating Results of Consolidated Financial Statements

#### Operational result of the Company and its subsidiaries for the first 9-month of 2016

The Company and its subsidiaries had the total net loss of 16.63 million Baht decreasing from the first 9-month of 2015 in the amount of 14.02 million Baht due to the share of loss of Joint venture, decrease in gross margin, and increase in selling and administrative expenses

#### **Income**

- In the first 9-month of 2016, the total revenue from sales of fuel and lubricant (Marine) was at 2,490.05 million Baht, increasing from the first 9-month of 2015 in the amount of 689.03 million Baht or 38.26 percent increase

- In the first 9-month of 2016, the income from sales of fuel and lubricant (jobber) was at 129.99 million Baht, increasing from the first 9-month of 2015 in the amount of 59.44 million Baht or 84.27 percent increase
- In the first 9-month of 2016, the revenue from supply management was at 147.83 million Baht, decreasing from the first 9-month of 2015 in the amount of 26.00 million Baht or 14.90 percent decrease
- In the first 9-month of 2016, other revenue was at 2.16 million Baht or 0.08 percent of total revenue

#### **Cost of Sales and Services and Gross Profit**

Total cost of sales for the first 9-month of 2016 was 2,536.84 million Baht, increasing from the first 9-month of 2015 in the amount of 680.65 million Baht 36.67 percent increase in accordance with an increase in sales of fuel and lubricant

- Cost of fuel and lubricant sales was 2,397.15 million Baht accounted for 91.49 percent of total revenue from fuel and lubricant sales. In the first 9-month of 2016, gross profit from sales of fuel and lubricant 222.87 million Baht, increasing from the first 9-month of 2015 in the amount of 44.28 million Baht or 24.79 percent increase
- Cost of services from supply management was 139.69 million Baht accounted for 94.49 percent of total revenue from supply management. In the first 9-month of 2016, gross profit from supply management was 8.15 million Baht, decreasing from the first 9-month of 2015 in the amount of 2.45 million Baht or 23.13 percent decrease

#### **Selling Expenses and Administrative Expenses**

- Selling expenses in the first 9-month of 2016 was 70.60 million Baht. Meanwhile, during the same period in the previous year was 57.22 million Baht, increasing in the amount of 13.37 million Baht
- Administrative Expenses in the first 9-month of 2016 was 80.13 million Baht. Meanwhile, during the same period in the previous year was 53.62 million Baht, increasing in the amount of 26.51 million Baht

#### **Financial Costs**

The Company and its subsidiaries had financial cost in the amount of 41.88 million Baht increased by 5.00 million Baht compared to the same period in the previous year

### Financial Position of the Company and its subsidiaries

#### **Assets**

Total assets of the year 2016 was at 2,288.87 million Baht, increased from 2015 by 121.44 million Baht or 5.60% percent increase mainly due to an increase in the Property, Plant and Equipment from the purchase of 100% shares in Nakornchai Prakan Chemical Co., Ltd. with the details of key assets as follows:

#### **Current Assets**

Current assets in 2016 was 807.36 million Baht increased from 2015 by 38.47 million Baht or 5.00 percent increase with the details of key items as follows:

- Cash and cash equivalent in 2016 was 293.82 million Baht decreased from 2015 by 47.96 million Baht or 14.03 percent decrease
- Net trade and other receivables in 2016 was 494.27 million Baht increased from 2015 by 84.67 million Baht or 20.67 percent increase
- Investment in joint venture in 2016 was 1,308.15 million Baht decreased from 2015 by 33.78 million Baht or 2.52 percent decrease

#### **Non-current Assets**

Non-current assets in 2016 was 1,481.51 million Baht increased from 2015 by 82.96 million baht or 5.93 percent increase

#### **Liabilities**

Total liabilities in 2016 was 1,129.81 million Baht increased from 2015 by 41.06 million Baht or 3.77 percent increase. In this respect, it consists of the current liabilities at 99.7 percent of total liabilities and the non-current liabilities at 0.29 percent, with the details of key liabilities as follows:

- Trade and other payables in 2016 was at 122.92 million Baht increased from 2015 by 47.85 million Baht or 63.74 percent increase
- Current portion of debentures in 2016 was 997.71 million Baht increase from 2015 by 997.71 million Baht or 100.00 percent increase as such debentures due in 15 September 2017



- The amount of debentures in 2016 was 0.00 million Baht decreased from 2015 by 996.43 million Baht or 100 percent decrease

#### **Shareholders' equity**

Total shareholders' equity in 2016 was 1,152.86 million Baht increase from 2015 by 74.20 million Baht or 6.88 percent increase due to the capital increase for share dividend by 37.91 million Baht from 379.12 million Baht in 2015 to 417.04 million Baht in 2016

#### **Liquidity**

For the first 9-month period of 2016, the Company and its subsidiaries had the cash flow used in operation at 2 million Baht in which the majority were from trade and other receivables and payables

Net cash flow generated from investing activities in the first 9-month period of 2016 was 4 million Baht in which the majority were from purchase of equipment and dividend received

Net cash flow used in financing activities in the first 9-month period of 2016 was 47.74 million Baht mainly driven by interest paid

From the above-mentioned factors, the Company and its subsidiaries had its cash and cash equivalents decreasing by 42.65 million Baht.

#### **Key Financial Ratios**

- Gross profit margin of the Company and its subsidiaries in the first 9-month period of 2016 was 8.42 percent, decreasing from the first 9-month period of 2015 at 9.31 percent with the major cause from decreased in number of offshore customers
- Net loss ratio of the Company and its subsidiaries in the first 9-month period of 2016 was 0.61 percent, increasing of the loss by 0.13 percent with the major cause from the share losses from investment in a joint venture and selling and administrative expenses as stated above.
- Current ratio of the Company and its subsidiaries in the first 9-month period of 2016 was 0.72 time, decreasing from 2015 at 8.59 time with the major cause from debenture which due in 15 September 2017
- Debt to equity ratio of the Company and its subsidiaries in the first 9-month period of 2016 was 0.98 time, decreasing from 2015 at 1.01 time

#### **5.4 Risk Factors Which May Adversely Affect Profit**

The Company has already clarified the risk factors related to the solar power plant business which the Company believes to be material. However, there may be other risks that is not anticipated or other risks that the Company considers to have no adverse impact to the business and its financial performance.

##### **5.4.1 Risks relating to Electricity Generation Capacity**

The Company views that the capacity to produce electricity of the solar power plant depends on two key parts – efficiency of the solar cells and loss during production. However, the 10 solar power plant projects received under the business transfer are using solar cells of Trina, a leader in and a producer of highly efficient solar cells of global recognition. Such projects also have SCADA that reports the daily volume of solar energy which enables the Company to quickly repair damaged equipment or equipment of reduced efficiency. In addition, from the commencement of Commercial Operation Date, there is no issue which would adversely cause the significant reduction of electricity production capacity

##### **5.4.2 Risks relating to Electricity Sale**

The Company entered into electricity sale agreements with The Provincial Electricity Authority and The Metropolitan Electricity Authority for sale of electricity generated by the 10 solar power plant projects at the volume specified in each agreement. Such agreements expire on 31 December 2038 or 25 years from the Schedule Commercial Operation Date (SCOD). During such agreement term, The Provincial Electricity Authority has no right to terminate the agreement if the Company fulfills its obligations under the agreement. Therefore, according to such agreements, there is no risk if the power plants generate electricity in the specified volume. Being a party to the agreements entered into with the government agency also guarantees the payment.

#### **5.5 Financial Projection of This Year**

- N/A –

#### **5.6 List of Names of Directors of Company**

No.	Names	Position
1.	Mr. Apisit Rujikeatkamjorn	Chairman
2.	Mr. Taweep Soontornsingha	Vice chairman / Independent director / Audit committee / Chairman of the nomination and compensation committee / Chairman of the Corporate Governance committee
3.	Assoc. Prof. Dr. Ruth Banomyong	Independent director/ Chairman of the audit committee
4.	Dr. Chalermwit Chimtragoon	Independent director/ Chairman of the audit committee / Nomination and compensation committee Corporate Governance committee
5.	Mr. Suraphon Meesathien	Director / Nomination and compensation committee Corporate Governance committee
6.	Mr. Prompong Chaisrisawatsuk	Director
7.	Mrs. Suthida Karuedetkosol	Director / Managing director
8.	Ms. Neeracha Panboonhom	Director / Chairman of executive committee

#### 5.7 List of Names of Executive Committee

No.	Names	Position
1.	Ms. Neeracha Panboonhom	Chief Executive
2.	Mr. Prompong Chaisrisawatsuk	Executive Director
3.	Ms. Suthida Karuedetkosol	Executive Director
4..	Ms. Kusuma Wanapreuk	Executive Director
5.	Mr. Chayawat Teekamitree	Executive Director

#### 5.8 List of First 10 Major Shareholders as at Closing Date of Share Register Book (28 November 2016)

No.	Names	Number of Shares	%
1.	Nathalin Company Limited	186,999,557	45.05
2.	Mr. Cherdchoo Panbunhom	44,000,220	10.60
3.	Ms. Chalinee Katekaew	15,304,360	3.69
4.	Mr. Apisit Rujikeatkamjorn	11,223,300	2.70

No.	Names	Number of Shares	%
5.	Ms. Wiorn Thongtang	5,930,256	1.43
6.	Ms. Dararai rattanachaiwan	4,559,402	1.10
7.	Thai NVDR Company Limited	4,491,818	1.08
8.	Mr. Chokchai Wongphattharawanit	3,826,074	0.92
9.	Ms. Neeracha Panboonhom	3,300,000	0.79
10.	Ms. Petcharat Thongtang	2,319,428	0.56
11.	Other shareholders	133,165,866	32.08
Total			415,120,181

#### 5.10 Effect on Debt to Equity Ratio after Entering into Transaction

As at 30 September 2016, the total liabilities of 10 solar power plant projects equal to Baht 310,436,475. If combined with the Company's total assets as at the same day, the total liabilities as after entering into the transaction would equal to Baht 1,440,245,847. However, the Company wishes to allot not exceeding 276,746,854 new shares at the par value of Baht 1 each which shall be allocated to the existing shareholder of the company according to their shareholding portion/ ratio in the amount of 138,373,427 shares and to certify the right under the warrant to purchase increased capital ordinary shares of the company that have been allocated to existing shareholders who have subscribed the newly increased capital issued shares in the amount of 138,373,427 shares as per the information memorandum relating to offer and allotment of new shares. The Company expects to receive the fund of Baht 415,120,281 derived from such capital increase. Therefore, the Company's shareholders' equity will increase to be Baht 1,574,184,351, which will result in D/E ratio after entering into transaction to be 0.91 times, which reduces from the existing D/E ratio of 1.24 times.