



ANNUAL REPORT 2015
SUSCO Public Company Limited

SUSCO

Content

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Chairman's Message

In 2015, the Thai economy grew just only around 2.8 % due to the 5% decrease in exports and the low prices of agricultural products, making consumers less confident. However, the dramatically and continuous drop in world oil prices since 2014 has been beneficial to Thai consumers since Thailand has been net importer of oil and natural gas. In 2016, we expect that the Government will accelerate its spending and investment to stimulate growth of the economy, to be around 2.5-3.0%. However, the growth will be dependent on the fragile global economy which has not quite recovered yet, causing less demand for the Thai export goods significantly. Moreover, the internal factors are quite discouraging, namely the household debt, severe drought in agricultural area, and the low prices of agricultural products; all of which have depressed our domestic consumption.

For local oil business, in 2015 the total oil consumption was 39,730 million litres, an increase of 6.7% from 37,236 million litres of 2014. As the world oil prices have widely fluctuated and have been at very low level as a result of oversupply since 2014, plus the Shale Gas production from the United States and the removal of the oil sanctions on Iran, adding more supply of oil in the world market. These two factors have added more pressure on the oil supply. Although there have been a slowdown in production at quite a few drilling rigs and some of them have been left idled, the global oil market remains substantial oversupplied. Consequently, OPEC, led by Saudi Arabia, must find a way out to address the oversupply problem as they are directly impacted.

In 2015, our group of companies sold 945 million litres of oil, an increase of some 7% from 884 million litres of 2014. However, the total revenues were Baht 19,612 million, decreasing from Baht 25,233 million in 2014 due to the tremendous fall of the oil prices. The Company had a total net profit of Baht 155 million.

We expect that the oil sales volume of our group of companies in 2016 will keep growing partly as a result of our sales promotion programs which have been launched continuously so that the Company's trademark will be recognized by the customers, the increase in domestic demand, the wholesale exports to neighboring countries and the increasing demand in aviation fuel. We, also, are looking for opportunities to have more partnerships with convenience stores, coffee shops, and related retail automotive operators to diversify our sources of income for our service stations.



(Mongkol Simaraj)

Chairman



Part One

Business Operations

1. Policies and Overall Business Operations of the Company and its Subsidiaries (Group of Companies)

1.1 Visions and Business Operations

The Board of Directors has, on an annual basis, set the visions as guidelines for the Management in business operations.

In 2016, the visions are as follows:

Visions : “Striving for continuous and sustainable growth, generating appropriate and fair benefits and returns to all stakeholders, and selling good quality products and services to meet the market demand, under cost saving, efficient and transparent management, and good corporate governance with social and environmental responsibility.”

Purposes:

- (1) To continuously develop the Group of Companies aiming for sustainable growth;
- (2) To continuously develop the qualities of the goods and services;
- (3) To develop the working processes and efficiency to keep pace with increasing market competitiveness;
- (4) To operate business with social and environmental responsibility;
- (5) To respond to the government on basic industrial development and energy policies;

The Group has its goals to increase the sales volume in 2016 from 2015 by approximately 8% with the profit in line with the increased sales volume.

The Company focuses on the risk management strategy in order to control and minimize the risk factors which may negatively affect the business operations, and also on selling products and services with transparency and good corporate governance.

1.2 Important Changes and Developments

On September 21, 1977, the Company was incorporated as a limited company under the Civil and Commercial Code named “Siam United Services Co., Ltd.” with an authorized capital of Baht 5 million to render oil transportation services by tankers to the large oil traders at that time such as Esso (Thailand) Co., Ltd., The Shell Company of Thailand Ltd., and Caltex Oil (Thailand) Co., Ltd.

In 1985, the Company raised its paid-up capital from Baht 5 million to Baht 75 million, and on December 25, 1985, the Company was permitted by the Ministry of Commerce for fuel trading under Section 6 of the Fuel Oil Trading Act B.E. 2521 (1978) and under Section 63 of the Fuel Oil Trading Act B.E. 2543 (2000) which prescribed that, “The fuel trader as permitted by the Minister under Section 6 of the Fuel Oil Trading Act B.E. 2521 (1978) is the fuel trader under Section 7 of this Act”; as a result, the Company which is a fuel trader under Section 7 of the said Act can also import fuel for domestic sale.

In 1986, the Company commenced to distribute fuels via the Company’s 32 petrol stations in the Southern Region. In the same year, the Company separated the fuel transportation business mentioned above from the fuel trading business by selling 6 fuel tankers and related assets to Siam Mongkol Marine Co., Ltd., its associated company.

Subsequently, the Company expanded the number of its petrol stations almost throughout the regions.

On August 31, 1990, the Company became a listed company on The Stock Exchange of Thailand, having Baht 280 million paid-up capital, comprising 280 million common shares at the par value of Baht 10 each.

On February 8, 1993, the Company was converted to a public company limited, named “Siam United Services Public Co., Ltd.”

On November 26, 2010, the Extraordinary General Meeting No. 1/2553 resolved to change the name from “Siam United Services Public Co., Ltd.” to “SUSCO Public Co., Ltd.” and was certified by the Department of Business Development, Ministry of Commerce, to use the name “SUSCO Public Co., Ltd.” on December 15, 2010.

On November 16, 2012, the Extraordinary General Meeting No. 1/2555 passed a resolution approving the Company to acquire all shares in PETRONAS Retail (Thailand) Co., Ltd. and Universal Asset Co., Ltd. which traded fuels under “PETRONAS” trademark. The shares were acquired on December 3, 2012 and changed the names of the 5 PETRONAS companies to 1) SUSCO Dealers Co., Ltd., 2) SUSCO Retail Property Co., Ltd., 3) SUSCO Marketing Co., Ltd., 4) SUSCO Lubricants Co., Ltd., and 5) SUSCO Property Co., Ltd., and within 2014 would have to change the “PETRONAS” trademark to “SUSCO”.

On November 28, 2013, the Company signed the Declaration of Intent of “Private Sector Collective Action Coalition Against Corruption” or “CAC”.

On October 8, 2014, the Board of Directors unanimously resolved to give consent to SUSCO Dealers Co., Ltd., a subsidiary of the Company, to sell 3.36 million shares in Thai Petroleum Pipeline Co., Ltd.

On November 27, 2014, the Board of Directors unanimously resolved to give consent to SUSCO Dealers Co., Ltd., SUSCO Marketing Co., Ltd., and SUSCO Property Co., Ltd. to sell all shares in SUSCO Lubricants Co., Ltd. The payment for the shares sold was made on December 25, 2014.

On December 16, 2014, the Extraordinary General Meeting No. 1/2014 passed a resolution approving the issuance and offering for sale of warrants to purchase ordinary shares of the Company No.1 (SUSCO-W1) to the existing shareholders at the ratio of the shares held. Please see the details on section 7.3 Issuance of Other Securities

As of December 31, 2014, the Company had 3 oil depots, namely: Ratburana Oil Depot, Surat Thani Oil Depot, and Songkhla Oil Depot to store fuels purchased by the Company from various sources for sale and legal reserve.

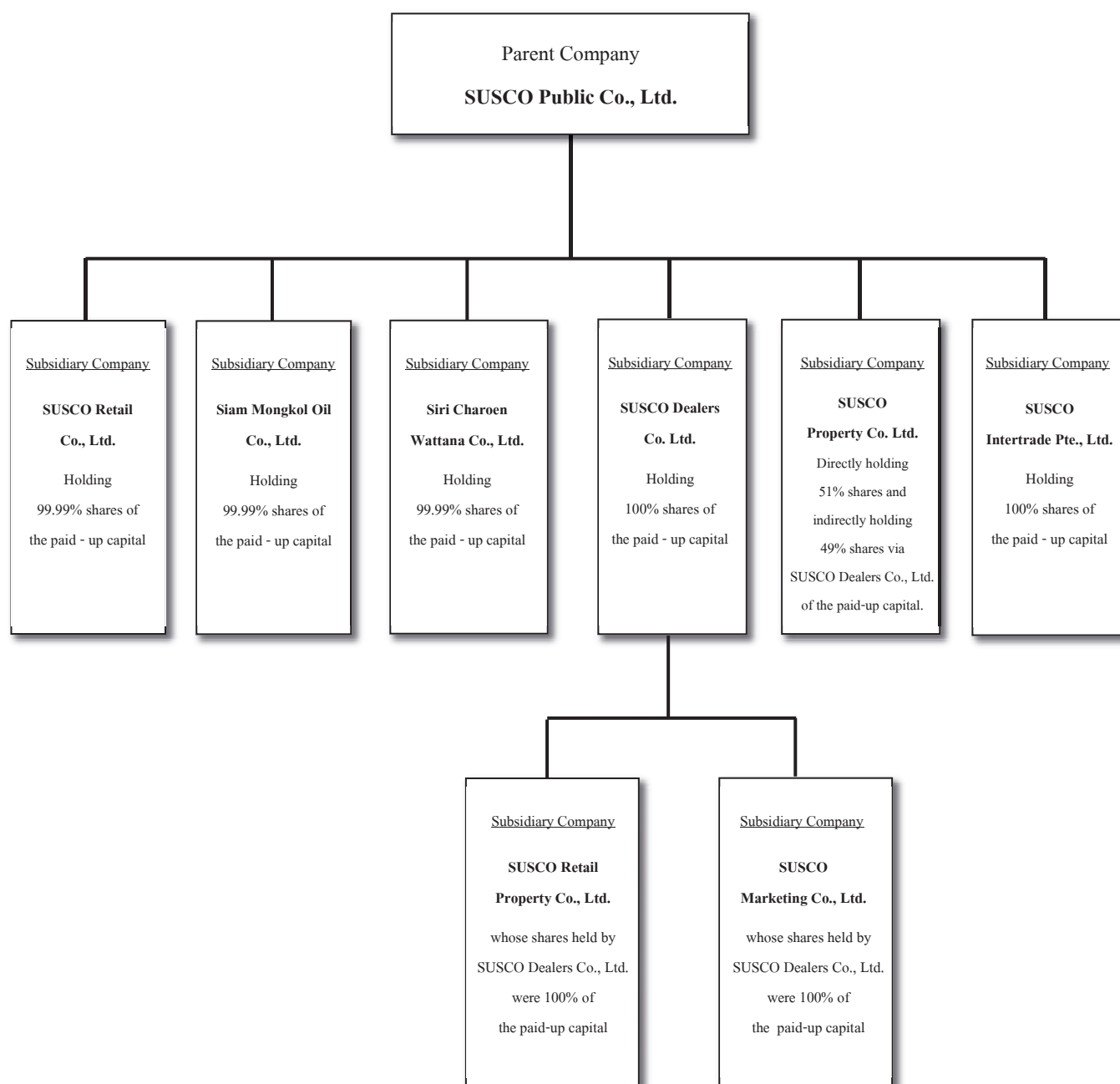
On August 27, 2015, the Board of Directors’ Meeting unanimously resolved to assign the Audit Committee to oversee the Anti-Corruption Policy

On October 29, 2015, the Board of Directors’ Meeting No. 10/2015 unanimously resolved to close down a joint venture company called S NGV Company Limited since there was no further need to have S NGV as a vehicle to operate NGV business

As of December 31, 2015, the Company and its subsidiaries had a total of 220 petrol stations scattered almost throughout the country; 150 stations were operated by the Company and 70 petrol stations were operated by dealers. 8 LPG stations were leased for operation by Siam Mongkol Oil Co., Ltd., its subsidiary; 7 stations were located in the same area of petrol stations and 1 station sold only LPG. In addition, the Company also operated 12 NGV stations; 5 stations were located in the same area of petrol stations and 5 stations sold only NGV; the remaining 2 NGV stations were operated and managed by Siri Charoen Wattana Co., Ltd., its subsidiary company.



1.3 Shareholding Structures of the Company in its Subsidiaries, as of December 31, 2015, were as follows:



2. Nature of Business Operations

Income Structures of the Company and its Subsidiaries, during the past 3 years, were as follows:

| Name (Status) | Important Products or Services | % of Shareholding | 2015 | | 2014 | | 2013 | |
|--|--|---|------------------|------------|------------------|---------------|------------------|---------------|
| | | | Million Baht | % | Million Baht | % | Million Baht | % |
| SUSCO PLC (Parent Company) | Selling fuel oils, natural gas, and lubricants | - | 11,196.27 | 47.08 | 12,597.21 | 44.12 | 10,910.27 | 41.27 |
| SUSCO Retail Co., Ltd. (Subsidiary company) | Selling fuel oils and lubricants | 99.99 | 2,364.54 | 9.94 | 2,762.29 | 9.67 | 2,882.33 | 10.90 |
| Siam Mongkol Oil Co., Ltd. (Subsidiary company) | Selling fuel oils, LPG, and lubricants | 99.99 | 667.78 | 2.80 | 660.43 | 2.31 | 827.32 | 3.13 |
| Siri Charoen Wattana Co., Ltd. (Subsidiary company) | Operating and managing two natural gas stations | 99.99 | 44.76 | 0.18 | 50.10 | 0.18 | 49.42 | 0.19 |
| SUSCO Dealers Co., Ltd. (Subsidiary company) | Selling fuel oils | 100.00 | 9,342.03 | 39.28 | 12,175.94 | 42.64 | 11,329.55 | 42.85 |
| SUSCO Retail Property Co., Ltd. (Subsidiary company) | Land and petrol stations leasing | 100% Indirectly via SUSCO Dealers Co., Ltd. | 53.40 | 0.22 | 60.10 | 0.21 | 81.79 | 0.31 |
| SUSCO Marketing Co., Ltd. (Subsidiary company) | Selling fuel oils and licensing the use of trademark. | 100% Indirectly Via SUSCO Dealers Co., Ltd. | 78.31 | 0.32 | 187.93 | 0.66 | 265.13 | 1.00 |
| SUSCO Property Co., Ltd. (Subsidiary company) | Land and petrol stations leasing | 51% Directly and 49% indirectly via SUSCO Dealers Co., Ltd. | - | - | 44.47 | 0.16 | 64.31 | 0.24 |
| SUSCO Intertrade Pte., Ltd. (Subsidiary company) | Selling fuel oils abroad | 100.00 | 33.11 | 0.13 | - | - | - | - |
| | Total | | 23,780.20 | 100 | 28,553.27 | 100.00 | 26,433.25 | 100.00 |



2.1 Characteristics of the Products

The products of the Company and its subsidiaries are fuel oils, namely benzene octane 95 and 91, gasohol 95 and 91, gasohol E 20, and E 85, high speed diesel, jet fuel, NGV, LPG, and lubricants.

The Company's business operations are under the Fuel Oils Control Act, B.E.2542, which stipulates fuel oil storage methods and guidelines for construction of petrol stations; and Fuel Trade Act, B.E.2543, which regulates annual oil trading volume and legal reserve of fuel oils. The Company is a licensed oil trader per Section 7 of the Fuel Trade Act, B.E.2543, having an annual aggregate trading volume of oils from one hundred thousand metric tons and over; therefore, the Company was required to have oil reserves at the rate of 6% and 10% of annual trading volume as approved by the Ministry of Energy, for the oils purchased in the country and for those imported, respectively.

On November 1, 2015, the Ministry of Energy announced that the oil reserves be reduced to the rates of 1% and 6% of annual trading volume as approved by the Ministry of Energy, for the oils purchased in the country and for those imported, respectively.

2.2 Marketing and Competitive Environment

2.2.1 Competition and Products Selling Policies

The Company and its subsidiaries have determined the policies and the nature of the products in marketing management, aiming to retail business via petrol stations under the Company's trademark (Before 2014, the Company had sold certain products under PETRONAS trademark in the stations acquired from PETRONAS) and industrial sectors for direct users, such as aviation, construction, transportation, and service sectors, and to other oil traders who, in turn, sold to the consumers. This included the sale to oil traders in the neighboring countries.

In expanding the petrol station network, the Company and its subsidiaries concentrated on the large communities in upcountry and Bangkok Metropolis. The Company and its subsidiaries provided comprehensive services in the large petrol stations in the urban area or on the main roads needing lots of fuel oils, and invested in the medium size petrol stations which gave good return by selecting the form of construction appropriate for each locality and in small petrol stations with small investments and short payback period on feeder roads connecting the districts which did not need so much oils.

For investment in petrol stations, the Company may, wholly or partially, invest or allow petrol station entrepreneurs to wholly invest, as appropriate.

In determining the retail prices of the fuel oils and lubricating oils, the Company and its subsidiaries would take into account the competitive conditions in each area by fixing the selling prices of such products slightly lower than those of the big players in order to motivate the customers to use the services and the products of the Company and its subsidiaries.

2.2.2 Competitive Environment in the Industry

Implementation of oil price deregulation system, together with the deregulation of the petrol station construction permit aiming at more convenient, resulting in each oil trader attempted to vie for market share by increasing the number of petrol stations and investing to expand the businesses in its service stations. Additionally, there were retail oil traders investing to erect petrol stations; therefore, the competition of petrol service stations tremendously increased to the extent that oil traders had to implement marketing strategies to attract the users to purchase their products and to be their regular customers.

Large and medium oil traders in the country, having their own oil depots, were as follows:

Large Oil Traders

- PTT Public Co., Ltd.
- Esso (Thailand) Public Co., Ltd.
- The Shell Company of Thailand Ltd.
- Bangchak Petroleum Public Co., Ltd.
- Chevron (Thailand) Co., Ltd.
- IRPC Public Co., Ltd.

Medium Oil Traders

- SUSCO Public Co., Ltd.
- Rayong Purifier Public Co., Ltd.
- PTG Energy Public Co., Ltd.
- The Siam Chemicals Public Co., Ltd.
- P.C. Siam Petroleum Co., Ltd.
- Cosmo Oil Co., Ltd.

Besides, there were also small oil traders which did not have high volume of oil trading, with petrol stations which did not use trademarks of large or medium oil traders.

2.2.3 Competitive Advantage

Due to the increase of petrol stations, the government strictly controls on the oil qualities, to protect the customers from low quality products. In this regard, the Company and its subsidiaries had strictly and always focused on the quality control of oils and services. On January 13, 2004, the Company and its subsidiaries were permitted to use the certificate of the fuel oil quality control system from the Department of Energy Business, Ministry of Energy.

The Company also joined the “ten litre” service station development project of the Department of Internal Trade, Ministry of Commerce.

Strengths and Weaknesses of the Company, its Subsidiaries in Comparison with Other Oil Traders

Strengths

- The Company and its subsidiaries by themselves procured, delivered, and conducted marketing of the products causing the business operations to be more flexible and the qualities of the products were controllable from the oil depots to petrol stations or customers.
- The Company and its subsidiaries had several large and comprehensive service stations in the Bangkok Metropolitan Region and neighboring provinces with high economic growth and traffic density; medium and small sizes in local communities.
- The Company and its subsidiaries were flexible in finding strategic alliances to enhance the comprehensive services in petrol stations and to give opportunities to various businesses to lease the land areas in petrol stations for their own business operations; as a result, these petrol stations had various services as needed in each area.

Weaknesses

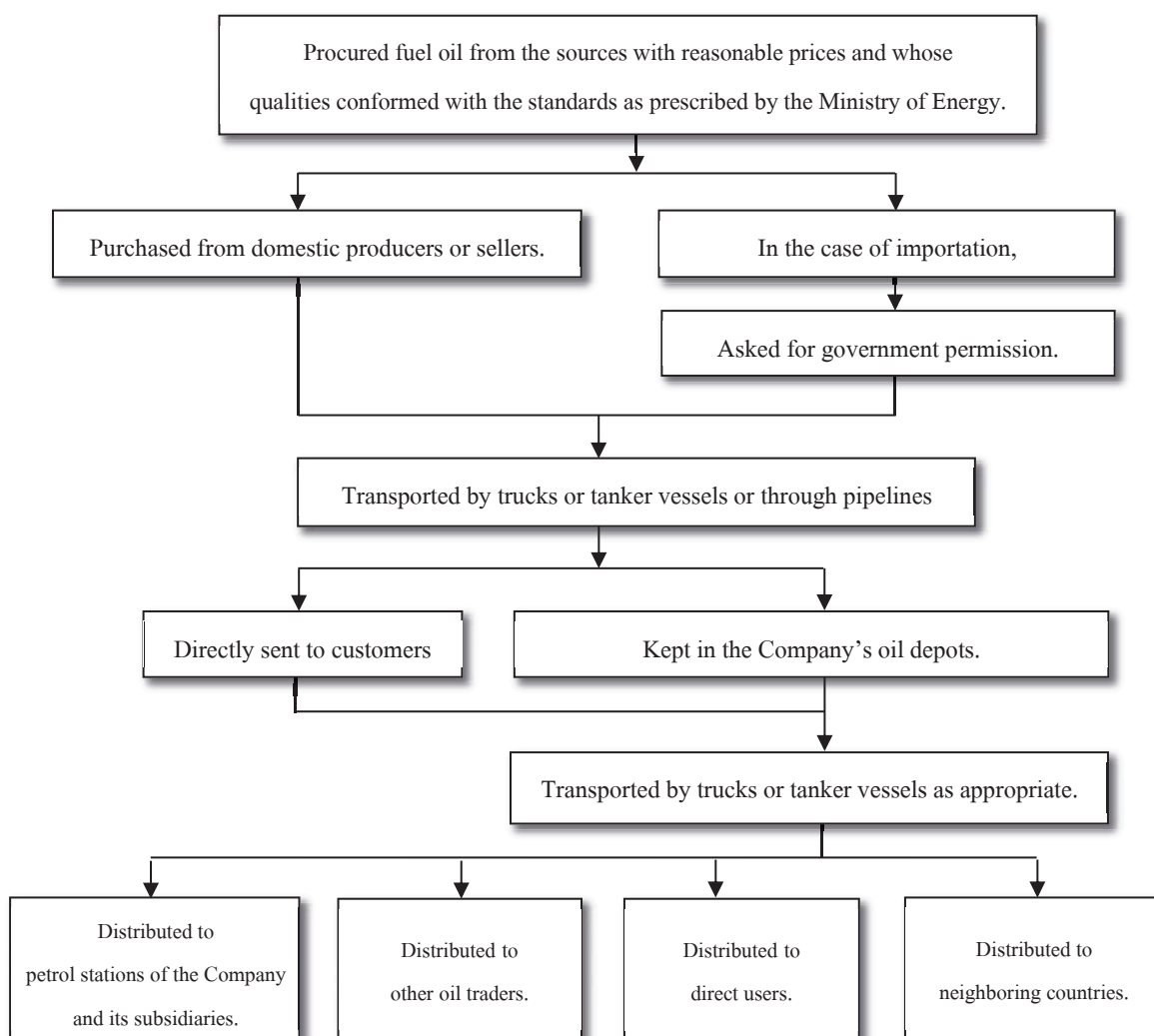
- The Company and its subsidiaries had less number of petrol stations than large oil traders.
- The trademarks had not yet been widely known as those of the large oil traders.



2.3 Procurement of the Products for Sale

In 2015, the Company and its subsidiaries procured all fuel oils from the domestic producers which had qualities and standards, in every respect, as prescribed by the Ministry of Energy.

2.3.1 Oil procurement procedure for sale can be explained by the following diagram:



2.3.2 Distributions and Distribution Channels

The Company and its subsidiaries distributed oils through channels in accordance with the types of customers, as follows:

- (1) Distribution to general fuel oil users through petrol stations. As of December 2015, there were 220 stations, scattered almost all over the country, where the Company operated by itself and operated by lessees.

In selecting a prospective petrol station lessee, the Company and its subsidiaries took into consideration the financial conditions and business experience of the lessee. Should there be an investor who wished to jointly invest with the Company, the latter would take into account the land location to be used by the investor in operating petrol station to see whether it was acceptable. If it was, the Company would design and provide standard equipment, accessories, and signboards to the investor who would, in turn, invest in the construction.

- (2) Distribution to direct users who ran the businesses of aviation, trucks, cargo, passenger ships, the business in construction, etc.
- (3) Distribution to other oil traders who would, in turn, re-distribute them to their customers through their own distribution channels.
- (4) Distribution to users and oil traders in neighboring countries for their own use or to their customers.

Sales Volumes of the Company and its subsidiaries over the past three years, classified by types of customers

| Type of Customers | 2015 | | 2014 | | 2013 | |
|-----------------------------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | Million Liters | % | Million Liters | % | Million Liters | % |
| 1) General users | 442.315 | 46.29 | 424.315 | 47.86 | 402.877 | 48.67 |
| 2) Oil traders in other countries | 279.804 | 29.24 | 256.275 | 28.91 | 227.847 | 27.53 |
| 3) Direct users | 196.759 | 20.56 | 170.927 | 19.28 | 170.983 | 20.66 |
| 4) Other oil traders | 37.442 | 3.91 | 35.074 | 3.95 | 26.030 | 3.14 |
| Total | 956.906 | 100.00 | 886.591 | 100.00 | 827.737 | 100.00 |

Over the past 3 years, no single customer purchased products valued over 30% of the total combined revenue of the Company and its subsidiaries.



The number of service stations and the market shares in 2015

Unit: Million Liters

| Company | No. of service stations | % | Volume of Diesel sold | Market Share % | Volume of Benzene 95 sold | Market Share % | Volume of Jet A 1 sold | Market Share % | Volume of Gasohol 95 sold | Market Share % | Volume of Gasohol 91 sold | Market Share % | Volume of Gasohol E20 sold | Market Share % | Volume of Gasohol E85 sold | Market Share % | Volume, of all sold | Market Share % |
|----------|-------------------------|--------|-----------------------|----------------|---------------------------|----------------|------------------------|----------------|---------------------------|----------------|---------------------------|----------------|----------------------------|----------------|----------------------------|----------------|---------------------|----------------|
| PTT | 1,578 | 6.23 | 6,822.43 | 32.09 | 205.83 | 41.25 | 2,589.57 | 43.97 | 976.46 | 29.83 | 1352.20 | 33.80 | 676.68 | 44.94 | 138.48 | 43.92 | 10,172.07 | 32.97 |
| SHELL | 491 | 1.94 | 2,361.93 | 11.11 | 22.92 | 4.59 | 664.69 | 11.29 | 411.57 | 12.57 | 531.69 | 13.29 | 189.98 | 12.62 | 0.00 | 0.00 | 3,518.10 | 11.40 |
| ESSO | 534 | 2.11 | 3,256.66 | 15.32 | 30.90 | 6.19 | 731.71 | 12.42 | 518.90 | 15.85 | 549.49 | 13.73 | 127.72 | 8.48 | 0.00 | 0.00 | 4,483.66 | 14.53 |
| CHEVRON | 362 | 1.43 | 1,601.11 | 7.53 | 72.24 | 14.48 | 1,082.07 | 18.37 | 317.92 | 9.71 | 303.42 | 7.58 | 36.29 | 2.41 | 0.00 | 0.00 | 2,330.98 | 7.55 |
| BANGCHAK | 1,072 | 4.23 | 2,786.84 | 13.11 | 0.00 | 0.00 | 678.14 | 11.51 | 401.72 | 12.27 | 614.44 | 15.36 | 323.19 | 21.46 | 160.61 | 50.94 | 4,286.79 | 13.89 |
| SUSCO | 220 | 0.86 | 268.23 | 1.26 | 35.10 | 7.03 | 143.50 | 2.44 | 52.56 | 1.61 | 75.02 | 1.87 | 1.48 | 0.10 | 2.77 | 0.88 | 435.15* | 1.41 |
| Others | 21,089 | 83.21 | 4,163.67 | 19.58 | 132.05 | 26.46 | - | 0.00 | 594.79 | 18.17 | 574.75 | 14.37 | 150.33 | 9.98 | 13.45 | 4.27 | 5,629.04 | 18.24 |
| Total | 25,346 | 100.00 | 21,260.86 | 100.00 | 499.04 | 100.00 | 5,889.68 | 100.00 | 3,273.91 | 100.00 | 4,001.01 | 100.00 | 1,505.66 | 100.00 | 315.31 | 100.00 | 30,855.79 | 100.00 |

Source: Monthly reports of the Bureau of Fuel Trade and Stockpile, Ministry of Energy, and data from the Company

Note: *Volume of SUSCO Public Co., Ltd. only.

As of December 31, 2015, there were 220 service stations using the Company's trademark, representing approximately 0.86 % of the total service stations in the country, and having a market share of around 1.41% of the total market.

Sales Volume classified by type of the products of the Company and its subsidiaries over the past three years

Unit : Million Liters

| Products | 2015 | 2014 | 2013 |
|----------------------------|----------------|----------------|----------------|
| 1. High speed diesel fuel | 413.922 | 417.693 | 413.420 |
| 2. Benzene (Octane 95) | 46.999 | 41.376 | 41.46 |
| 3. Benzene (Octane 91) | 195.866 | 174.562 | 154.378 |
| 4. Gasohol 95 | 54.568 | 50.305 | 590.512 |
| 5. Gasohol 91 | 80.202 | 72.547 | 66.152 |
| 6. Jet fuel | 143.862 | 121.533 | 83.140 |
| 7. Lubricating oil | 0.134 | 0.152 | 0.170 |
| 8. Liquefied petroleum gas | 6.511 | 8.363 | 9.337 |
| 9. Natural gas* | 14.725** | 8.112** | - |
| 10. Bunker oil | 0.090 | 0.060 | 0.168 |
| Total sales volume | 956.906 | 827.737 | 528.171 |

* Unit : Million Kilograms

** In the past, the Company had revenue from natural gas station management fee. The Company started its own operation of natural gas in 2014.

2.3.3 Storage and Delivery of Oil and Their Impacts on Environment

The leakages of oil storage and delivery will cause damages to environment; consequently, the Company strictly stipulated the precautionary measures to oversee every step from transferring oils from the vessels into the storage tanks. Before doing so, the buoys must be placed around the oil tanker to prevent and control the oil which might leak during transferring not to spread outside the controlled area.

The area around the oil storage tank has large fuel ditch and oil trap to prevent oil from leaking during transferring to oil trucks not to scatter into the external water. The oil trap will be cleaned by knowledgeable staff on residual storage at least once a month. In addition, the Company employed an independent surveying company to check the quality of effluents from the three oil depots on a monthly basis, to ensure that the qualities of the effluents from the three oil depots were higher than the standard criteria stipulated by the Government. The Company submitted the reports to the Office of Natural Resources and Environmental Policy and the Harbor Department every three months.

According to the results of effluent quality examination over the past three years, there has never been any problem affecting the environment. :



Results of effluent quality examinations over the past three years.

| Parameter | Unit | Rathurana Depot (mean) | | | Surat Thani Depot (mean) | | | Songkhla Depot (mean) | | | Industrial Effluent Standard |
|--|------|---------------------------|------|------|-----------------------------|------|------|--------------------------|------|------|--|
| | | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 | |
| 1) pH | - | 7.8 | 7.7 | 7.6 | 7.1 | 6.9 | 7.1 | 7.1 | 7.2 | 7.3 | 5.5-9.0 |
| 2) Biochemical Oxygen Demand (BOD) | mg/L | 7.3 | 10.2 | 13.0 | 5.6 | 3.6 | 2.7 | 2.0 | 1.8 | 2.0 | Not exceeding 20 Not exceeding 50 |
| 3) Suspended Solids (SS) | mg/L | 1.3 | 1.5 | 1.5 | 1.0 | - | - | - | - | - | Not exceeding 5 |
| 4) Oil and Grease | mg/L | 6.5 | 13.3 | 19.3 | 6.4 | - | - | - | - | 1.0 | Not exceeding 50 |

3. Risk Factors

The risks of the Company and its subsidiaries depend on the following important factors. :

3.1 Oil Prices Fluctuation

Domestic oil prices fluctuated according to the changes in world market oil prices. In South East Asia the trading hub is in Singapore. In current situation, the world market oil prices fluctuate quite widely causing the market price to move wildly and swiftly because of various factors, including the demand and supply of the world market. Thus, the Company and its subsidiaries had to manage such risks by closely monitoring the world market oil price movement and its trend and set up a plan to purchase and reserve the oils in an appropriate level to manage the costs for an effective competitive advantage.

3.2 Safety Risks

Fuel oil trading is the business which safety must be stringently treated in a special manner, because fuel oils are inflammable which may cause fire and serious damages. The Company and its subsidiaries well realize that the safety on such risk is the most important; accordingly, the Company and its subsidiaries have arranged, on the regular basis, fire prevention training and exercising programs for all concerned parties and have installed the fire prevention tools and equipment and take other actions in relation to safety in line with the official regulations in all respects.

3.3 Financial Risks

In 2015, the Company also exported its oils, hence there were foreign currency revenues, most of which was covered by forward contracts to manage the foreign exchange risks. The Company did not import oils; however, in the future, the Company may do so for resale if the importing oil prices plus the exchange rates are adequately less expensive than the domestic prices.

The Company had high liquidity, with low debt-to-equity ratio. Most of the liabilities were loans from banks to purchase service stations. As at the end of 2015, the Company had a current ratio of 1.19 and did not have much long-term liabilities; therefore, the interests from the long-term liabilities were very low. The financial risks from liquidity, interest expense, and exchange rate were in low level.

4. Assets Used in Business Operations

4.1 Fixed Assets (Land, Plant and Equipment) of the Company, the subsidiaries, and those leased from other parties

- a. Land used in business operations could be divided into two parts which were: the part used for oil depots, service stations, and offices, having a total area of 646 - 0 - 9.80 Rai, and the unutilized part, having a total area of 253 - 2 - 51.70 Rai.

The aforementioned pieces of land were located in Bangkok Metropolis, Central Region, Northeastern Region, Northern Region, and Southern Region. The Company and its subsidiaries had rights and ownerships over those pieces of land under Nor.Sor. 3, Nor.Sor. 3 Kor., and land title deeds. The Company and its subsidiaries used certain plots of land, including buildings, and equipment, to mortgage with commercial banks as security for the credit facilities granted, which, as at December 31, 2015, were approximately Baht 4,848 million. In addition, there still were additional land leased by the Company and its subsidiaries for petrol service station construction, the leases of which were registered at the Land Office where such plots of land were located. Certain plots of the land had obligations under the lease contracts up to 2037 and had rental payable in a total amount of Baht 786 million.

- b. Buildings, Oil Depots, and Petrol Stations

Most of the buildings used in transacting businesses of the Company and its subsidiaries, such as headquarters building, buildings of the subsidiaries, oil depots used to store oils for sale or distribution to the service stations of the customers and of the Company and its subsidiaries, and the petrol stations distributing fuel oils to the consumers were located on the Company's land but there were certain minor parts located on the plots of land leased from other parties.

- c. Vehicles

The Company had vehicles used in the important business operation, namely one semi truck fuel tank and 10 fuel tank trucks to support the distribution of oils to the customers and petrol stations of the Company and its subsidiaries.



4.1.1 Book Value of Fixed Assets of the Company and its Subsidiaries as of December 31, 2015:

Unit : Million Baht

| Category | Cost | Net Book Value ⁽¹⁾ |
|---|-----------------|-------------------------------|
| <u>Land, Plant and Equipment – in use</u> ⁽²⁾ | | |
| Land | 871.09 | 843.42 |
| Service station buildings and improvement portions | 933.59 | 272.31 |
| Oil depots, oil tanks, fuel dispensers, operating equipment, electrical systems, etc. | 620.06 | 172.53 |
| Office decoration and equipment | 53.69 | 19.75 |
| Vehicles | 51.69 | 15.24 |
| Other construction work | 1.57 | 1.57 |
| Total | 2,531.69 | 1,324.82 |
| <u>Investment Properties</u> ⁽³⁾ | | |
| Land | 604.13 | 538.86 |
| Service stations | 1,818.41 | 453.75 |
| Total | 2,422.54 | 992.61 |

Notes :

- (1) Cost of assets less accumulated depreciation, impairments and add or less allowances for impairments. Such accumulated depreciation was calculated by using straight-line method according to the estimated useful life of the lease contract. However, the actual useful life would be longer than that estimated because the Company and its subsidiaries had regularly improved and repaired them.
- (2) The assets available for use by the Company and its subsidiaries.
- (3) The assets available but unused by the Company and its subsidiaries; they were leased by other parties.

4.1.2 Details of Important Fixed Assets as at December 31, 2015 were as follows :

| Description | Size/Quantity |
|--|---------------------|
| 1. Land | |
| 1.1 Land on which Ratburana Oil Depot, Bang Pakok Subdistrict, Raturana District, Bangkok Mertropolis was located | 0 - 3 - 75 Rai |
| 1.2 Land on which Surat Thani Oil Depot, Bang Kung Subdistrict, Mueang District, Surat Thani Province was located | 41 - 2 - 13.70 Rai |
| 1.3 Land on which Songkhla Oil Depot, Hua Khao and Sathingmo Subdistricts, Mueng District, Songkhla Province was located | 86 - 3 - 79.20 Rai |
| 1.4 Land on which service stations were located and empty land of the Company and its subsidiaries | 899 - 2 - 61.50 Rai |
| 1.5 Land on which service stations of the Company and its subsidiaries leased from other parties | 365 - 0 - 30.50 Rai |
| 2. Fuel trucks | |
| 2.1 Semi truck fuel tank | 1 unit |
| 2.2 Fuel tank trucks | 10 units |

4.2 Investment Policy in the subsidiaries

As of December 31, 2015, the Company invested in the following subsidiaries:

| Name | Type and Nature of Businesses | Paid-in Capital (Million Baht) | % of Shareholding | Investment Value of the Company under Cost Method (Million Baht) | Investment Value of the Company under Equity Method (Million Baht) | Major Shareholders and % of Shareholding |
|-----------------------------------|--|--------------------------------|-------------------|--|--|---|
| 1. Siam Mongkol Oil Co., Ltd. | Selling fuel oils, LPG and lubricants | 48.00 | 99.99 | 47.999 | - | SUSCO 99.99% |
| 2. SUSCO Retail Co., Ltd | Selling fuel oils and lubricants | 12.00 | 99.99 | 4.948 | - | SUSCO 99.99% |
| 3. Siri Charoen Wattana Co., Ltd. | Operating and managing natural gas station | 120.00 | 99.99 | 120.000 | - | SUSCO 99.99% |
| 4. SUSCO Dealers Co., Ltd. | Selling fuel oils | 2,364.83 | 100.00 | 1,754.270 | 2,460.140 | SUSCO 100.00% |
| 5. SUSCO Retail Property Co., Ltd | Leasing of lands and petrol stations | 100.00 | 100.00 | | | |
| 6. SUSCO Marketing Co., Ltd. | Selling fuel oils and letting the use of trademark license | 700.00 | 100.00 | | | |
| 7. SUSCO Property Co., Ltd. | Leasing of lands and petrol stations | 1,340.00 | 100.00 | - | - | (SUSCO directly held 51% shares and indirectly held 49% shares) |
| 8. SUSCO Intertrade Pte., Ltd. | Selling fuel oils abroad | US\$1 | 100.00 | - | - | |



4.3 Assets Assessment

In 2015, the Company had no new asset to evaluate.

5. Legal Dispute

In 2015, both the Company and its subsidiaries had no legal disputes that required to be reported under the Notification of Capital Market Supervisory Board No. Thor Jor.11/2552 Re: “Rules, Conditions, and Methods of Reporting and Disclosing Information in Respect of Financial Position and Results of Operations of the Securities-Issuing Company.” The Company and its subsidiaries did not have any legal disputes which had or might have material or significant negative impact to their assets or the businesses.

6. General Information and Other Important Information

6.1 General Information

| | | |
|---------------------------------|---|--|
| Name | : | SUSCO Public Company Limited |
| Name in English | : | SUSCO Public Company Limited |
| Main Businesses | : | Sale of fuel oils, LPG, and NGV |
| Trademark | : | Symbol of an “oil drop” and “SUSCO” trademark. |
| Company Registration No. | : | 0107536000064 |

Headquarters and Oil Depots located at the following places :

- : a) Headquarters and Ratburana Oil Depot
No. 139 Ratburana Road, Bangpakok Subdistrict,
Ratburana District, Bangkok Metropolis 10140
Tel. 0-2428-0029 (16 lines)
Fax. 0-2428-8001 and 0-2427-6270
Website : www.susco.co.th
 - : b) Surat Thani Oil Depot
No. 122 Village No. 3, Liang Mueang Road,
Bang Kung Subdistrict, Mueang District,
Surat Thani Province 84000
Tel. 0-7728-5131-3 Fax. 0-7728-5134
 - : c) Songkhla Oil Depot
No. 282 Village No. 5, Sathingmo Subdistrict,
Singha Nakhon District, Songkhla Province 90280.
Tel. 0-7433-1034 -6 Fax. 0-7433-1039
- Securities Registrar** : Thailand Securities Depository Co., Ltd.
No. 93 The Stock Exchange of Thailand Building,
Tower A, 14th Floors, Ratchadaphisek Road, Dindaeng Subdistrict,
Dindaeng District, Bangkok Metropolis 10400
Tel. 0-2009-9000 Fax. 0-2009-9991

Auditors

Auditors of the Company and its subsidiaries in 2015 were as follows :

- : 1. Mr. Winid Silamongkol CPA Registration No. 3378; or
- 2. Mr. Vairoj Jindamaneepitak CPA Registration No. 3565; or
- 3. Mr. Charoen Phoosamritlert CPA Registration No. 4068; or
- 4. Mr. Waiyawat Kosamarnchaiyakit CPA Registration No. 6333,
of KPMG Phoomchai Audit Co., Ltd., located on 50th – 51st Floors,
Empire Tower Building, No. 1 South Sathorn Road, Bangkok 10120.
Tel. 0-2677-2000 Fax. 0-2677-2222



**Names and addresses of juristic persons whose shares were held by the Company at or over 10% of their paid-in capitals,
as of December 31,2015.**

| Name | Type of Business | Authorized Capital (Baht) | Paid-in Capital (Baht) | Number of Paid-in Capital (share) | Par Value (Baht) | Shareholding (%) | Headquarters Address | Tel. |
|------------------------------------|--|------------------------------|---------------------------|--------------------------------------|---------------------|---|---|-----------------|
| Subsidiaries | | | | | | | | |
| 1. SUSCO Retail Co., Ltd. | Selling fuel oils and lubricants | 120,000,000 | 12,000,000 | 4,000,000 | 3.00 | 99.99 | 139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140. | 0-2428-0029 |
| 2. Siam Mongkol Oil Co., Ltd. | Selling fuel oils, LPG, and lubricants | 48,000,000 | 48,000,000 | 480,000 | 100.00 | 99.99 | 139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140. | 0-2428-0029 |
| 3. Siri Charoen Wattan Co., Ltd. | Operating and managing the leased area in natural gas stations | 120,000,000 | 120,000,000 | 1,200,000 | 100.00 | 99.99 | 105/2 Village 17, Bang Ramad Sub-district, Talingchan District, Bangkok Metropolis 10170. | 0-2422-4427 |
| 4. SUSCO Dealers Co., Ltd. | Selling fuel oils | 2,364,833,150 | 2,364,833,150 | 94,593,326 | 25.00 | 100.00 | 139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.. | 0-2428-0029 |
| 5. SUSCO Retail Property Co., Ltd. | Leasing of lands and petrol stations | 100,000,000 | 100,000,000 | 1,000,000 | 100.00 | Shares indirectly held via SUSCO Dealers Co., Ltd. at the rate of 100% | 139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140. | 0-2428-0029 |
| 6. SUSCO Marketing Co., Ltd. | Selling fuel oils and letting the use of trademark license | 700,000,000 | 700,000,000 | 7,000,000 | 100.00 | Shares indirectly Held via SUSCO Dealers Co., Ltd. at the rate of 100% | 139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140. | 0-2428-0029 |
| 7. SUSCO Property Co., Ltd. | Leasing of lands and petrol stations | 1,340,000,000 | 1,340,000,000 | 13,400,000 | 100.00 | Shares directly held at the rate of 51% and shares indirectly held via SUSCO Dealers Co., Ltd. at the rate of 49% | 139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140. | 0-2428-0029 |
| 8. SUSCO Intertrade Pte.,Ltd. | Selling fuel oils abroad | S\$1 | S\$1 | S\$1 | S\$1 | 100.00 | 8 Cross Street #10 - 00, PWC Building, Singapore, 048424. | [+65]-6236-3388 |

6.2 Other Important Information

In 2015, the Company had no other important information which significantly affected the investments.

Should there be any, the Company would disclose them to the concerned parties under the guidelines as prescribed by the Securities and Exchange Commission and The Stock Exchange of Thailand.

Part two
Management and Corporate Governance

7. Securities and Shareholders Information

7.1 Authorized and Paid-in Capital

As at December 31, 2015, the Company had an authorized capital of Baht 1,375 million, consisted of 1,375 million ordinary shares at the par value of Baht 1 per share, and paid-in capital of Baht 1,100,000,001, comprising 1,100,000,001 ordinary shares at the par value of Baht 1 per share.

7.2 Shareholders

According to Thailand Securities Depository Co., Ltd., the top 10 shareholders as at September 14, 2015, the latest date of closing the share register book, were as follows:

| Shareholder | Number of Shares Held | % |
|------------------------------------|-----------------------|--------------|
| 1. Mr. Mongkol Simaroj | 131,900,000 | 11.99 |
| 2. Mr. Chaloechai Mahakijisiri | 117,473,800 | 10.68 |
| 3. Mr. Marvee Simaroj | 30,200,000 | 2.75 |
| 4. Mr. Pimuk Simaroj | 30,100,000 | 2.74 |
| 5. Miss Ussana Mahakijisiri | 29,900,000 | 2.72 |
| 6. Mr. Kiat Srijomkhwan | 24,900,000 | 2.26 |
| 7. Mr. Thaveechat Jurangkool | 22,000,000 | 2.00 |
| 8. Sub. Lt. Payung Boonsiri L.T.N. | 17,722,000 | 1.61 |
| 9. Mr. Panus Rungnoppakhunsri | 15,005,000 | 1.36 |
| 10. Mrs. Mukda Boonseang | 14,000,000 | 1.27 |
| Total | 433,200,800 | 39.38 |



7.3 Issuance of Other Securities

The Extraordinary General Meeting No. 1/2014 of the Company, held on December 16, 2014, approved the issuance and offering of the Warrants to purchase the new ordinary shares of the Company No.1 (“Warrants” called “SUSCO-W1”) in the amount of not exceeding 275,000,000 units at the offering price of Baht 0.10 per unit to the existing shareholders of the Company in proportion to their shareholdings at a ratio of 4 existing ordinary shares to 1 unit of the Warrants. Shareholders could express their intentions to subscribe SUSCO-W1 in excess of their entitlements. However, the allotment of the oversubscribed amount would be made only after the subscription of the existing shareholders had been fully met. Thereafter, the remaining of the unsubscribed portion could be allotted to those who wanted to subscribe over their rights. The total warrants were 274,977,311 units.

The term of the Warrants was fixed at 4 years from the issuance date which was February 5, 2015. The last exercise date shall be February 4, 2019. The warrant holders holding 1 unit shall be entitled to subscribe 1 new share which has the par value of Baht 1 at the subscription price of Baht 4 per share on the last day of every March, June, September, and December throughout the term of the Warrants. The first day to exercise the rights was on March 31, 2015 and the last day shall be February 4, 2019. To exercise these Warrants, the warrant holders must declare their intentions at least 5 business days prior to the exercise date and at least 15 days before the last exercise date.

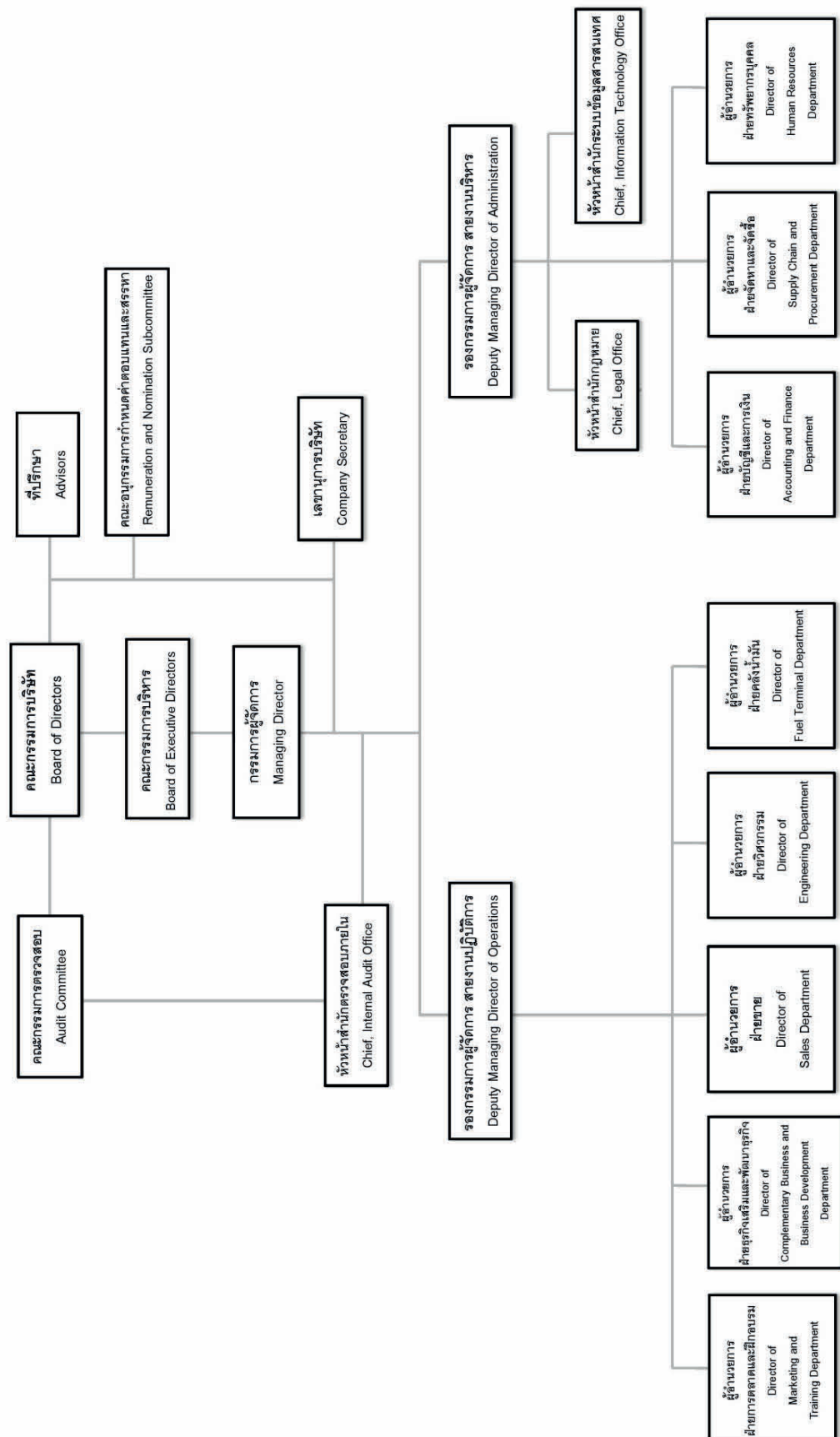
On March 31, 2015, there was a warrant holder, who held 1 unit of warrant, exercised his rights to purchase one ordinary share of the Company. Therefore, as of December 31, 2015, there were 274,977,310 outstanding warrant units.

7.4 Dividend Payment Policies of the Company and its Subsidiaries

The Boards of Directors of the Company and its subsidiaries have policies to pay dividends to the shareholders at the rate of not less than 50% of the net profits, except when there are necessities to use the funds for business expansions.

8. Organizational Structure

As of December 31, 2015



8.1 Board of Directors

The Board of Directors, as of December 31, 2015, were as follows :

- | | | |
|-----|-----------------------------------|---|
| 1. | Mr. Mongkol Simaroj | Chairman |
| 2. | Mr. Narong Chulajata | Vice Chairman |
| 3. | Mr. Pimuk Simaroj | Chairman, Board of Executive Directors |
| 4. | Khunying Serm Sri Bunnag | Independent Director and Audit Committee Chairwoman |
| 5. | Mr. Yothin Ari | Independent Director and Audit Committee Member |
| 6. | Mr. Prakit Pradipasen | Independent Director and Audit Committee Member |
| 7. | Mrs. Phuangphet Thawechaiwat | Independent Director and Audit Committee Member |
| 8. | Mr. Sithiphan Sriphen | Independent Director |
| 9. | Mr. Noppadol Attavavutichai | Director |
| 10. | Pol.Maj.Gen. Dr. Songchai Simaroj | Director |
| 11. | Mr. Phongsathon Chatnarat | Executive Director |
| 12. | Mr. Pisut Suntichok | Executive Director |
| 13. | Mr. Chairit Simaroj | Executive Director and Managing Director |
| 14. | Mr. Marvee Simaroj | Executive Director and Deputy Managing Director of Operations |

Section 23 of the Articles of Association of the Company specifies that "...signatures of two Directors together with the Company's seal shall bind the Company, and the Board of Directors shall specify the names of the Directors whose signatures are empowered to bind the Company from the whole members of the Board of Directors..."

Directors whose signatures were empowered to bind the Company, as of December 31, 2015, were as follows :

1. Mr. Mongkol Simaroj
2. Mr. Narong Chulajata
3. Mr. Noppadol Attavavutichai
4. Mr. Marvee Simaroj
5. Mr. Chairit Simaroj
6. Mr. Pimuk Simaroj
7. Mr. Phongsathon Chatnarat

Number of meetings and number of times which each director attended in 2015 were as follows :

| Director | Term of Office (Year) | Number of attendants in comparison with total number of meetings (times) | | |
|--------------------------------------|--|---|---------------------------|-------|
| | | Regular Agenda Meeting | Special Agenda Meeting | Total |
| 1. Mr. Mongkol Simaroj | Elected in April 2015 till the date of 2018 Ordinary General Meeting | 12/12 | - | 12/12 |
| 2. Mr. Narong Chulajata | Elected in April 2013 till the date of 2016 Ordinary General Meeting | 12/12 | - | 12/12 |
| 3. Mr. Pimuk Simaroj | Elected in April 2015 till the date of 2018 Ordinary General Meeting | 12/12 | - | 12/12 |
| 4. Khunying Serm Sri Bunnag | Elected in April 2013 till the date of 2016 Ordinary General Meeting | 12/12 | - | 12/12 |
| 5. Mr. Yothin Ari | Elected in April 2015 till the date of 2018 Ordinary General Meeting | 10/12 | - | 10/12 |
| 6. Mr. Prakrit Pradipasen | Elected in April 2014 till the date of 2017 Ordinary General Meeting | 7/12 | - | 7/12 |
| 7. Mrs. Phuangphet Thaweechaiwat | Elected in April 2013 till the date of 2016 Ordinary General Meeting | 11/12 | - | 11/12 |
| 8. Mr. Sithiphan Sriphen | Elected in April 2014 till the date of 2017 Ordinary General Meeting | 12/12 | - | 12/12 |
| 9. Mr. Noppadol Attavavutichai | Elected in April 2014 till the date of 2017 Ordinary General Meeting | 12/12 | - | 12/12 |
| 10. Pol.Maj.Gen.Dr. Songchai Simaroj | Elected in April 2013 till the date of 2016 Ordinary General Meeting | 11/12 | - | 11/12 |
| 11. Mr. Phongsathon Chatnarat | Elected in April 2015 till the date of 2018 Ordinary General Meeting | 11/12 | - | 11/12 |
| 12. Mr. Pisut Suntichok | Elected to replace former Executive Director, Sub. Lt. Payung Boonsiri L.T.N., till the date of 2016 Ordinary General Meeting | 9/12 | - | 9/12 |
| 13. Mr. Chairit Simaroj | Elected in April 2014 till the date of 2017 Ordinary General Meeting | 12/12 | - | 12/12 |
| 14. Mr. Marvee Simaroj | Elected in April 2014 till the date of 2017 Ordinary General Meeting | 12/12 | - | 12/12 |



Qualifications of Independent Director

Per the requirements of the Securities and Exchange Commission and The Stock Exchange of Thailand, the Board of Directors shall have at least 3 independent directors with the following qualifications:

- (1) Being independent from the major shareholders of the Company or the group of major shareholders;
- (2) Not being employee, staff, or consultant receiving salary or any other fringe benefits from the Company, its subsidiaries, associated company, or related companies;
- (3) Holding shares on his/her behalf or by the related persons altogether not exceeding 0.5% of paid-in capitals of the Company or its subsidiaries or associated company or related companies;
- (4) Being able to equally oversee the benefits of every shareholder;
- (5) Being able to oversee that there will be no conflict of interest between the Company and the Management, the major shareholders or other companies having the same group of the Management or of the major shareholders;
- (6) Being able to regularly attend the Meeting of the Board of Directors to make decision on important matters of the Company.

As of December 31, 2015, five independent directors of the Company were as follows:

1. Khunying Serm Sri Bunnag
2. Mr. Yothin Ari
3. Mr. Prakrit Pradipasen
4. Mrs. Phuangphet Thaweechaiwat
5. Mr. Sithiphan Sriphen

In the latest accounting period, the independent directors did not have any business relationships or did not render any services to the Company, its subsidiaries or an associated company.

8.2 Management

The Management of the Company, as of December 31, 2015, were as follows:

- | | |
|----------------------------------|---|
| 1. Mr. Chairit Simaroj | Managing Director |
| 2. Mr. Marvee Simaroj | Deputy Managing Director of Operations, Acting Director of Complementary Business Department, and Acting Chief of Internal Audit Office |
| 3. Mr. Amarin Simaroj | Deputy Managing Director of Administration |
| 4. Mrs. Piyalaks Simasaengyaporn | Company Secretary |
| 5. Mr. Pornchai Veerawongnusorn | Director of Engineering Department |
| 6. Mr. Pornlert Chayalak | Director of Accounting and Finance Department |
| 7. Mr. Sunthorn Yurasak | Director of Fuel Terminal Department |
| 8. Mr. Gunpol Nokchan | Director of Sales Department |
| 9. Mr. Thawatchai Booranabunyut | Director of Marketing and Training Department |
| 10. Ms. Mukdawan Ruttapichairak | Director of Supply Chain and Procurement Department |
| 11. Mr. Tanyapong Wongkeansarn | Acting Director of Human Resources Department |

8.3 Company Secretary

The Board of Directors appointed Mrs. Piyalaks Simasaengyaporn as the Company Secretary to undertake the duties and responsibilities as prescribed in the Securities and Exchange Act B.E.2535 and amended by the Securities and Exchange Act (No. 4) B.E.2551, such as arranging Meetings of the Board of Directors and those of the Shareholders; as well as to oversee that resolutions passed by the Meetings have been implemented; to prepare and duly keep the Directors Register book, the Minutes of the Shareholders' Meeting, the Minutes of the Board of Directors' Meeting, and the Minutes of the Subcommittees' Meeting ; and to liaise with the Securities and Exchange Commission and The Stock Exchange of Thailand.

8.4 Directors and Management Remuneration

8.4.1 Monetary Remuneration

The Remuneration and Nomination Subcommittee and the Board of Directors have considered the duties and responsibilities of Directors and Audit Committee Members, together with their remuneration and compared them with those of listed companies, having the size and business similar to the Company's and recommended the appropriate rates of director remuneration to the Ordinary General Meeting to approve.

The 2015 Ordinary General Meeting, held on April 23, 2015 approved the director remuneration in the form of monthly lump sum meeting allowance at the rate of Baht 30,000 for Chairperson and at the rate of Baht 20,000 for each Director, effective from May 1, 2015.

In 2015, the total remuneration for 14 Directors was Baht 3,480,000.

The Meeting of the Board of Directors held on February 28, 2012 resolved to pay the meeting allowance in the form of a monthly lump sum basis to the Directors who were members of the Audit Committee in addition to the above-mentioned directors' remuneration as follows: Baht 15,000 to the Chairperson and Baht 10,000 for each member of the Audit Committee, effective from May 1, 2012.

In 2015, the total remuneration for the Audit Committee members was Baht 540,000.

Independent directors of the Company did not hold any office in the subsidiaries or the associated companies; therefore, they did not receive any remuneration from those companies



The Directors' Remuneration in the form of meeting allowance were as follows:

Unit : Baht

| Name - Surname / Position | Meeting Allowances for 2015 | | | |
|--|-----------------------------|-----------------|---------------------------------------|------------------|
| | Board of Directors | Audit Committee | Remuneration and Nomination Committee | Total |
| 1. Mr. Mongkol Simaroj Chairman | 360,000 | - | - | 360,000 |
| 2. Mr. Narong Chulajata Vice Chairman | 240,000 | - | - | 240,000 |
| 3. Mr. Pimuk Simaroj Chairman, Board of Executive Directors | 240,000 | - | - | 240,000 |
| 4. Khunying Serm Sri Bunnag Independent Director and Audit Committee Chairwoman | 240,000 | 180,000 | - | 420,000 |
| 5. Mr. Yothin Ari Independent Director and Audit Committee Member | 240,000 | 120,000 | - | 360,000 |
| 6. Mr. Prakrit Pradipasen Independent Director and Audit Committee Member | 240,000 | 120,000 | - | 360,000 |
| 7. Mrs. Phuangphet Thawechaiwat Independent Director and Audit Committee Member | 240,000 | 120,000 | - | 360,000 |
| 8. Mr. Sithiphan Sriphen Independent Director | 240,000 | - | - | 240,000 |
| 9. Mr. Noppadol Attavavutichai Director | 240,000 | - | - | 240,000 |
| 10. Pol.Maj.Gen.Dr. Songchai Simaroj Director | 240,000 | - | - | 240,000 |
| 11. Mr. Phongsathon Chatnarat Executive Director | 240,000 | - | - | 240,000 |
| 12. Mr. Pisut Suntichok Executive Director | 240,000 | - | - | 240,000 |
| 13. Mr. Chairit Simaroj Managing Director | 240,000 | - | - | 240,000 |
| 14. Mr. Marvee Simaroj Deputy Managing Director of Operations | 240,000 | - | - | 240,000 |
| Total | 3,480,000 | 540,000 | | 4,020,000 |

In 2015, the remuneration in the form of salary for 7 Directors who were Executives and 9 Management, totaling 16 persons, was Baht 35,809,387.10.

The Company's shares held by Directors and the Management as of December 31, 2015

compared with those of December 31, 2014 were as follows:

| Name-Surname | Position | No. of shares held as at December 31, 2015* | No. of shares held as at December 31, 2014* |
|--------------------------------------|--|--|--|
| 1. Mr. Mongkol Simaroj | Chairman | 134,200,000 | 130,570,000 |
| 2. Mr. Narong Chulajata | Vice Chairman | - | - |
| 3. Mr. Pimuk Simaroj | Chairman, Board of Executive Directors | 30,100,000 | 27,200,000 |
| 4. Khunying Serm Sri Bunnag | Independent Director and Audit Committee Chairwoman | 3,319,575 | 2,296,375 |
| 5. Mr. Yothin Ari | Independent Director and Audit Committee Member | - | - |
| 6. Mr. Prakrit Pradipasen | Independent Director and Audit Committee Member | - | - |
| 7. Mrs. Phuangphet Thaweechaiwat | Independent Director and Audit Committee Member | 114,760 | 114,760 |
| 8. Mr. Sithiphan Sriphen | Independent Director | 15,000 | 15,000 |
| 9. Mr. Noppadol Attavavutichai | Director | 200,000 | 200,000 |
| 10. Pol.Maj.Gen.Dr. Songchai Simaroj | Director | 746,330 | 746,330 |
| 11. Mr. Phongsathon Chatnarat | Executive Director | - | - |
| 12. Mr. Pisut Suntichok | Executive Director | 100,000 | 100,000 |
| 13. Mr. Chairit Simaroj | Executive Director and Managing Director | 10,300,000 | 10,300,000 |
| 14. Mr. Marvee Simaroj | Executive Director, Deputy Managing Director of Operations, Acting Director of Business Development Department and Acting Chief of Internal Audit Office | 28,500,000 | 27,000,000 |
| 15. Mr. Amarin Simaroj | Deputy Managing Director - Administration | 5,500,000 | 2,500,000 |
| 16. Mrs. Piyalaks Simasaengyaporn | Company Secretary | - | - |
| 17. Mr. Pornchai Veerawongnusorn | Director of Engineering Department | - | - |
| 18. Mr. Pornlert Chayalak | Director of Accounting and Finance Department | - | - |
| 19. Mr. Sunthorn Yurasak | Director of Fuel Terminal Department | - | - |
| 20. Mr. Gunpol Nokchan | Director of Sales Department | 1,320,000 | 1,300,000 |
| 21. Mr. Thawatchai Booranabunyut | Director of Marketing and Training Department | - | - |
| 22. Ms. Mukdawan Ruttapichairak | Director of Supply Chain and Procurement Department | - | - |
| 23. Mr. Tanyapong Wongkeansarn | Acting Director of Human Resources Department | 25,000 | - |

* All Directors and Management must report the change of the Company's shares held to the Securities and Exchange Commission within 3 days and report to the Board's Meeting monthly.



8.4.2 Other Remuneration

The Company set up a Provident Fund for employees who are members of the Fund at the rate of 4 or 5 or 6 % of their salaries, depending on the number of years they work with the Company. In 2015, the Company paid Baht 2,039,096 for 16 Directors and Management who were members of the Fund.

8.5 Personnel

The Company treats all employees equally without discrimination, human rights violations, nor using child labor. The Company remunerates its employees appropriately according to the Company's performance, together with welfare with more benefits to employees than the laws require, such as provident fund, loan, medical fee, medical check-up, etc.

As at December 31, 2015, the Company and its subsidiaries had a total of 1,575 employees, 266 of whom were at headquarters and oil depots and 1,309 were at petrol stations.

In 2015, the Company and its subsidiaries paid remuneration to the employees in the form of salary in the amount of Baht 266,972,638.35 and contributed Baht 6,563,316.10 to the Provident Fund for 468 employees who were members of the Fund.

Policy in Employee Development

The Company Group has always encouraged and supported every level of its employees to develop the knowledge related to their work and earn new knowledge concerning the organization, society, and environment, so as to enable them to maximize the efficiency of operating knowledge and capabilities by sending them to get training from various sources, as well as arranging in-house training programs regarding the general knowledge, knowledge for supervisors and knowledge for the position, etc.

The average training hours of headquarters staff for 2015 were as follows;

1. Management level 13.95 hours/person
2. Chief level 7.27 hours/person
3. Staff level 6.44 hours/person

The Company also set up training teams to directly provide continuous training for the employees who worked at service stations as follows;

1. Area manager training, at least once a year (6 hours/course)
2. Service station manager training, at least twice a year (6 hours/course)
3. Other service station staff training, at least twice a year (6 hours/course)

Moreover, the Group of Companies also provided annual trainings as specified by laws for area managers, station managers, and other staff in service stations as follows;

1. Preliminary firefighting and evacuation
2. Safety officer training for supervisor and management
3. Fundamentals training for service station manager

9. Corporate Governance

9.1 Corporate Governance Policy

Good corporate governance practices are essential for the Company's success in achieving its goals, and efficient operating systems are bases of stable and sustainable growth; all of which will be beneficial to every stakeholder. Accordingly, the Board of Directors has a policy to continuously promote every work unit to follow good corporate governance practices under the honest, transparent, and auditable management without a conflict of interest, having full, correct, complete, and timely disclosure and to safeguard the interests of all stakeholders in an equitable manner as well as to always take into consideration the social responsibilities. Five groups of good corporate governance policies are as follows:

9.1.1 Rights of Shareholders

9.1.1.1 The Board of Directors shall oversee and protect every shareholder to receive his /her basic rights, as follows :

- (1) No restriction in trading or transferring shares, unless such share transfer shall cause the Company to have alien shareholders in excess of 49% of total issued shares;
- (2) Having equal rights to receive correct and complete information in time;
- (3) Having rights to attend and vote in the Meeting of shareholders;
- (4) Having rights to nominate, appoint, or remove Directors, and to approve the appointment of Independent Auditors;
- (5) Having rights to join in decision making on the change of important policies of the Company;
- (6) Having rights to receive profit sharing.

9.1.1.2 Every shareholder shall receive the Meeting Notice and information on date, time, place, and agenda, inclusive of the information related to the matters which must be decided in the Meeting, sufficiently in advance and in time.

9.1.1.3 The Company shall arrange appropriate place where can be reached by public transportation and appropriate time for the Shareholders' Meeting so that it would be convenient for shareholders and institutional investors to attend.

9.1.1.4 Directors and all concerned persons, such as auditors must be prepared to give explanation or to answer questions of the shareholders.

9.1.1.5 On October 29, 2015, the Company notified the shareholders who wanted to add the Meeting Agenda and/or to nominate the persons who should be elected as the Directors of the Company in advance via website of the Company to enable the shareholders to inform the Company of their intentions within December 31, 2015; however, no shareholder notified any intention on such matters.

9.1.1.6 In the Meeting, shareholders can ask questions, explanations, and express their opinions regarding the agenda under discussion. The Board of Directors shall not change the Agenda of the Meeting without having a prior permission from the Meeting.

9.1.1.7 Shareholders shall be informed of rules used in the Meeting and voting procedures and the Company shall disseminate the Meeting Agenda with supporting information in the website of the Company prior to the distribution of the documents to the shareholders so that they would have enough time to digest the information in advance.



- 9.1.1.8 In each agenda, there will be opinions of the Board of Directors for shareholders' consideration. All questions asked in the Meeting and the important opinions will be completely minuted so that the shareholders and the concerned parties can audit them.
- 9.1.1.9 Every Director and top Management shall disclose the relationships, both directly and indirectly, with the major shareholders or the third parties who have significant business transactions with the Company.

9.1.2 Equal Treatment of Shareholders

- 9.1.2.1 In convening shareholders' Meeting, the Company has a policy to equally treat shareholders as follows:
- (1) The Company shall serve a meeting notice on every shareholder not less than 14 days prior to the date of the Meeting, and shall also disseminate the information on date, time, place, and agenda on the website of the Company
 - (2) The Company shall advertise and invite the shareholders to attend the Meeting of Shareholders in newspapers not less than 3 consecutive days prior to the date of the Meeting.
 - (3) The Company shall accommodate all shareholders in registering for attending the Meeting via registration aid computer system for the most convenient and swiftness of the shareholders.
 - (4) The Company shall convene the Meeting of Shareholders on the date, time, and at the place which are convenient for the shareholders to attend and shall not have a sudden change in the venue of the Meeting to the extent that the shareholders cannot attend.
 - (5) The Board of Directors shall allow the shareholders to use the proxies in the form which the shareholders can determine the voting direction and shall nominate at least one Independent Director as an alternative in giving their proxies.
 - (6) The Company Secretary shall notify the shareholders of the rules and regulations used in the Meeting, voting procedures, and total shares held by the participants prior to commencement of the Meeting.
 - (7) Each share shall have equal right and vote. The shareholder shall have the rights to vote according to the shares held.
 - (8) The Meeting Chairperson shall conduct the Meeting per the agenda stipulated in the meeting notice.
 - (9) The Meeting Chairperson shall give opportunities to the shareholders to ask questions in association with each agenda.
 - (10) The Board of Directors shall use the voting ballots in every important agenda and/or that in which the shareholders have different opinions.
 - (11) Every shareholder attending the Meeting can exercise the right to vote in every case, whether it is an affirmative vote, a negative vote, or an abstention.

9.1.3 Duties to Stakeholders

The Board of Directors has policies to oversee and keep the rights of every group of stakeholders as prescribed by laws, whether they are shareholders, customers, creditors, trading partners, independent auditors, management, employees, public sector, society, and other concerned agencies, to give them confidence that their rights shall be equally protected and treated, for instance :

- | | | |
|-----------------------------------|---|---|
| Duties to Shareholders | : | The Company will act as a good agent of shareholders in business operations bringing maximize satisfaction to the shareholders, by taking into consideration the sustainable growth of the Company value, including disclosing the information in the transparent and reliable manners. |
| Duties to Customers | : | The Company will create maximize satisfaction to the customers, by paying attention to the services and being responsible for the products' qualities and prices, including clearly and fairly conducting the business with every customer. |
| Duties to Creditors | : | The Company will adhere to the conditions and terms as set forth in the loan agreement or trade contract made with every financial creditor or trade creditor and will fairly treat the creditors as if they were the Company's trading partners. |
| Duties to Competitors | : | The Company has policy to treat its competitors under the framework of laws related to competition practices. The guidelines for treating competitors are as follows: Operating business under the good practices of competition, seeking no confidential information of competitors in a dishonest way, and with not intentionally destroy reputation of competitors with groundless slander. |
| Duties to Employees | : | The Company will oversee its employees to develop themselves so that they will be able to work more efficiently, including encouraging them to have morality and ethics to work honestly. The Company will equally and fairly treat every employee and provide suitable remuneration. |
| Duties to Society and Environment | : | The Company is aware of the Company and its employees' responsibilities to society and environment. As employees and the Company are parts of the society, they have their duties to provide peace and orderliness to the society, particularly rendering assistance to the needy or to the people who are economically and socially disadvantaged insofar as practicable. For environment, the products sold by the Company are fuel oils which may easily have negative impact on environment and may cause serious peril to the communities and environments; hence, the Company sets out a policy to designate the staff concerned to such matters to strictly perform their duties under the official rules and regulations. |



9.1.4 Information Disclosure and Transparency

9.1.4.1 Information Disclosure

- (1) The Board of Directors assigned the Management to correctly and completely disclose all information required under the rules and regulations of The Stock Exchange of Thailand and the Securities and Exchange Commission, both in Thai and in English languages, via the information dissemination channels and media of The Stock Exchange of Thailand and on the website of the Company
- (2) Only the persons designated by the Board of Directors or the top Management shall disclose information to shareholders, investors, securities analysts, mass media, or regulatory entities.
- (3) The information which shall be disclosed by the Company on a regular basis are as follows :
 - General information and nature of business operations;
 - Financial statements and the results of operations of the Company, including analytical results;
 - Name list and shareholding proportion of major shareholders and the Management;
 - Business risk factor;
 - Overall Directors and Management remuneration;
 - Directors' qualifications;
 - Transactions with connected persons.
- (4) The Board of Directors requires that financial statements or financial information be prepared to show the financial positions and the results of operations of the Company, as prescribed by laws, and such information shall be completely, correctly, sufficiently, and timely disclosed for the acknowledgement of all shareholders and stakeholders of the Company.
- (5) The Company has its accounts and financial statements audited by independent auditors.
- (6) The Company shall facilitate the third parties such as securities analysts, investment consultants, securities brokers, rating institutions, mass media, and external supervisory organizations, with data analyses, for the benefits of investors' decision making or for other benefits.
- (7) To disclose the report on good corporate governance policy and its results of the policy compliance in the annual report.
- (8) To disclose the roles and duties of the Board of Directors, the number of Meetings, and the number of each director attending the Meeting, including the forms and natures of remuneration paid to the Directors and the Management in the annual report.

9.1.4.2 Board of Directors' Report

The Board of Directors will provide the Report on Responsibilities of the Board of Directors regarding the financial statements of the Company and other essential issues in line with the good practices as prescribed by The Stock Exchange of Thailand together with the auditor's opinion in the annual report, including adequate disclosure on important information in notes to financial statements. The Audit Committee and the external auditors will jointly discuss with the Management to ensure that the financial reports of the Company are correct and complete.

9.1.4.3 Relationships with Investors

The Board of Directors focuses on correct, complete, and transparent disclosure, both on the parts of the financial and general information as well as other sensitive information which may affect the Company so that it will reach the investors and other concerned parties in time as prescribed by The Stock Exchange of Thailand, whereby the Company disseminates such information via channels of The Stock Exchange of Thailand and website of the Company at www.susco.co.th. and will assure that such information is correct, complete and reliable. And, in order to prevent rumors, the Company has assigned its Managing Director and/or Deputy Managing Director of Operations to take responsibility for answering questions to investors and concerned parties. Investors can contact such persons at Tel. 0-2428-0029 or E-mail address: marvee@susco.co.th

9.1.4.4 Complaint Filing Channels

The Board of Directors, on November 24, 2015, resolved to have the policy to provide direct contact channels for all stakeholders who have encountered inappropriate actions such as fraud, corruption, inappropriate behavior of Director, Management, and/or staff, infringement of stakeholder's rights, or any other issues that affect or may affect any stakeholder by assigning the Audit Committee to investigate the said issue prior to reporting to the Board of Directors.

Complaint can be submitted by letter, E-mail, website, phone, or fax to the following address.

The Audit Committee

SUSCO PUBLIC COMPANY LIMITED

139 Ratburana Road, Bangpakok, Ratburana, Bangkok 10140

Email: corporatesecretary@susco.co.th

Website: www.susco.co.th

Telephone : 0 2428 0029 #110 or #111

Fax : 0 2428 8001

Having received the message, if the complaint is related to fraud or corruption, the Audit Committee will submit the issue to the Anti-corruption Working Group for fact finding; subsequently, the latter will revert to the former as soon as possible.

For other cases, the Audit Committee will consider together with the related party.

In case an employee wants to file a complaint, he/she can either choose the above method or follow the Company's working regulations, as the case may be.

In the event that the whistleblower is concerned about the negative effect which may cause him/her, he/she may choose not to identify himself/herself. In any case, the Company will always protect him/her from unfair treatment.



9.1.5 Responsibilities of the Board of Directors

The Board of Directors oversees the businesses and determines policies, strategies, business plans, and revenue and expenditure budgets annually to maximize overall benefits of the Company and the shareholders.

Roles, duties, and responsibilities of the Board of Directors are as follows:

(1) Leadership, Visions, and Independence of Decision-Making

The Board of Directors has its duties and responsibilities for formulating policies, considering, approving, and reviewing the strategies, goals, business plans, revenue and expenditure budgets, and managing the risks of the Company, including overseeing that the Management will efficiently and transparently operate the Company's business in line with the policies, plans, and budgets. In addition, the Board of Directors concentrates on good corporate governance by preparing, in writing, the good corporate governance policies of the Company, including approving, reviewing, and assessing the operating results from abiding by such policies at least once a year, emphasizing that the Company will have good internal controls and efficient risk management measures, as well as always following up the operations on such issues. Accordingly, the Board of Directors needs to be composed of the persons possessing leadership, visions, and independence of decision-making to maximize the benefits of the Company and the shareholders.

At present, the Company has altogether 6 groups of the Board of Directors and main Subcommittees, namely the Board of Directors, the Board of Executive Directors, the Audit Committee, the Remuneration and Nomination Subcommittee, the Risk Management Committee, and the Occupational Safety, Health, and Environment Committee; the authorities, roles and responsibilities of which have been clearly stipulated in writing. The aforesaid authorities include the financial approval authorities for segregation of authorities in accordance with the good corporate governance principles and in order for the Management to be always efficient, transparent, and auditable.

(2) Board of Directors Structure

(a) Check and balance of non-executive directors

According to the Articles of Association, the Board of Directors comprises not less than 5 and not more than 15 Directors, having the qualifications as prescribed by laws.

As at December 31, 2015, the Company had 14 Directors. 5 of whom were Independent Directors. Every Director possessed knowledge, capabilities, and experiences adequate for using his/her judgment to consider the problems of the Company and lead the Company towards sustainable prosperity.

Seven of 14 Directors were executive Directors. Two of 14 Directors were non-executive Directors. Five of 14 Directors were independent Directors and Four of whom were the members of Audit Committee.

The directorship will be as specified in the Articles of Association, which is a period of 3 years, except the one elected to replace the Director who resigns, will hold directorship only for the remaining period of the resigning Director. Upon the expiration of the term, the Board of Directors shall ask the Ordinary General Meeting to elect the replacing Directors. In this regard,

for transparency sake, the Company will propose the qualified person, together with his/her profile, whom the Board of Directors is of the opinion that he/she should be elected to be the Director to every shareholder for consideration in the Ordinary General Meeting.

(b) Aggregation and Segregation of Authorities

To clearly segregate the authorities and duties in formulating policies, and supervising and managing routine jobs, the Chairperson will not be the same person as the Executive Chairman and the Managing Director and will not be the Chairperson or member of any subcommittees.

(c) Qualifications of Directors and Independent Directors

The persons who hold office of directors and independent directors will be completely qualified under the laws and will have no qualifications prohibited under the Notifications of SEC. Additionally, they will have adequate knowledge, capabilities, and experiences which are beneficial to the Company.

(3) The Board of Directors has prescribed clear guidelines to supervise and prevent conflict of interest in the Company's business operations, as follows :

- (a) To structure the Company and the Board of Directors and other groups of Subcommittees with clear stipulation of their authorities, duties and responsibilities under the good corporate governance practices;
- (b) To encourage every member of the Management and employee to work with honesty, adhering to the code of professional conduct, and not to emphasize personal benefits more than the responsibilities to the Company, including keeping the secrecy of customers and not to disclose inside information of the Company and customers, for the personal benefits or the benefits of other parties;
- (c) In the case of any decision-making which may cause conflict of interest or in the case where there are certain acts which are beneficial to the Company but they are not in accordance with the different benefits of each group of stakeholders, the Board of Directors and the Management will carefully discuss such problems in the cautious, careful, honest, reasonable, and independent manners under good ethical frameworks for the benefits of the Company;
- (d) In the event that there is any issue which may cause conflict of interest or which are connected transactions or transact with connected persons, the interested Directors shall disclose the information to the Meeting and have no right to vote on such agenda;
- (e) Every Director, Management, and employee will not perform any act which is against the benefits of the Company nor exploit the chance or using the information derived from being a Director or an employee for personal benefits nor run competing businesses with the Company nor perform any duties other than those of the Company, which may affect the performance of their duties.



- (4) The Board of Directors fully recognizes that to successfully operate the business aiming at the sustainable highest goal with efficient operating system, it is necessary to always have ethics in the business operations. Therefore, the Board of Directors has prepared written business ethical guidelines to be observed by every Director, Management, and employee of the Company and its subsidiaries in performing his/her duties with honesty and in fair manners to customers, shareholders, and every group of stakeholders.
- (5) The Board of Directors emphasizes the internal control systems, both at management and operational levels, to prevent the Company from damages, on financial, operations, risk management, and compliance supervision aspects; therefore, the policies with respect to the internal audit and control systems were laid down as follows:
- (a) The Management of the Company will be responsible for preparing timely financial reports which are correct and complete, both quarterly and annually;
 - (b) Efficient internal control and audit systems will be undertaken to ensure that the Company complies with all related guidelines and laws. The system will be audited by the internal auditors and reviewed by the Audit Committee;
 - (c) The authorities, duties and responsibilities of the Management in operating the business will be prescribed in writing;
 - (d) The utilization of the Company's assets will be continuously monitored and inspected so that they will not be damaged or misused or unduly utilized;
 - (e) Duties and responsibilities of the staff or the working units will be separated for appropriate checks and balance;
 - (f) The Board of Directors will duly pay attention to recommendations or suggestions of the Independent Auditors and to use them as guidelines in considering the proper improvement of the operations.
- (6) The Board of Directors shall convene the Meetings based on the following practices:
- (a) The Board of Directors will, in advance, fix the regular Meetings which will be held on a monthly basis to enable the Directors to conveniently allocate their time for every Meeting; in addition, there may be special Meeting as necessary. In every regular Meeting, there will be agenda on the matters arising to follow-up the issues of the previous Meeting and the monthly operational results of the Company.
 - (b) In the Meeting of the Board of Directors, to constitute a quorum, there will be not less than one-half of all of the Directors attending the Meeting.
 - (c) The Chairman will endorse the Meeting agendas in collaboration with the Executive Chairman, the Managing Director, and the Company Secretary by taking into account the requests of Directors and top Management to include other important issues in the Meeting agenda.

- (d) The Chairman will allocate adequate time for the Management and the Directors to propose and discuss the issues.
- (e) The Board of Directors will encourage the top Management who is directly related to the issue under consideration to join the Meeting to provide additional details.
- (f) Directors can have access to and can request information, consultation, and necessary services from an assignee or may request outsider's independent opinions.
- (g) It is a duty of the Management to provide appropriate information and opinions to the Board of Directors.
- (h) The Company Secretary will serve the meeting notice together with the agendas and supporting documents on Directors not less than 7 days in advance to enable every director to have sufficient time to study all related information prior to attending the Meeting.
- (i) In every Meeting of the Board of Directors, the written minutes of every agenda will be completely recorded and the adopted minutes will be properly kept and will be available, at all times, for inspection by the Directors and/or the related parties.
- (7) It is a policy of the Board of Directors to enhance each Director's knowledge in the subject of supervising important issues as announced, including to encourage the Directors to attend training courses which are beneficial to the performance of the Directors' duties.

9.2 Subcommittees

The structure of the Board of Directors of the Company consists of the Board of Directors, the Board of Executive Directors, the Audit Committee, and the Remuneration and Nomination Subcommittee, whose scopes of powers are as follows :

9.2.1 Board of Directors

The Board of Directors in the Meeting No. 2/2558, held on February 23, 2015, resolved to amend the authorities and responsibilities of the Board of Directors as follows:

- (1) Having authorities of Directors as prescribed by the Public Limited Company Act and other laws;
- (2) Having authorities as stated in the Articles of Association;
- (3) Formulating policies and goals to operate the Company;
- (4) Approving action plans, goals, and annual budgets of the Company;
- (5) Approving the transactions related to land, the construction, or the land with the construction according to the related laws;
- (6) Approving the appointment of the Executive Board to perform duties mentioned in 9.2.2 ;
- (7) Approving the appointment and removal of the Chairman, the members of the Audit Committee, the members of Executive Board, the members of the Subcommittees, the Vice Chairman, the Executive Chairman, the Managing Director, the Deputy Managing Director, the Assistant Managing Director, and the Company Secretary, as well as approving their salaries, remuneration, and other benefits;



- (8) Approving the matters pertinent to finance and assets of the Company, which are above the approving powers of the Executive Board;
- (9) Assigning or suggesting the Executive Board or the Managing Director to consider or work on any matter as the Board of Directors deems appropriate, as well as appointing subcommittees or working groups for such purpose;
- (10) Giving consent or approving matters proposed by the Executive Board or the Managing Director.
- (11) In case of urgency, the Chairman may consider an appropriate use of the aforementioned authorities of the Board of Directors and, subsequently, report to the Board of Directors.

The Board of Directors, as of December 31, 2015, consisted of the following persons:

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| 1. Mr. Mongkol Simaroj | Chairman |
| 2. Mr. Narong Chulajata | Vice Chairman |
| 3. Mr. Pimuk Simaroj | Chairman, Board of Executive Directors |
| 4. Khunying Serm Sri Bunnag | Independent Director and Audit Committee Chairwoman |
| 5. Mr. Yothin Ari | Independent Director and Member of the Audit Committee |
| 6. Mr. Prakrit Pradipasen | Independent Director and Member of the Audit Committee |
| 7. Mrs. Phuangphet Thaweechaiwat | Independent Director and Member of the Audit Committee |
| 8. Mr. Sithiphan Sriphen | Independent Director |
| 9. Mr. Noppadol Attavavutichai | Director |
| 10. Pol.Maj.Gen.Dr. Songchai Simaroj | Director |
| 11. Mr. Phongsathon Chatnarat | Executive Director |
| 12. Mr. Pisut Suntichok | Executive Director |
| 13. Mr. Chairit Simaroj | Executive Director and Managing Director |
| 14. Mr. Marvee Simaroj | Executive Director and Deputy Managing Director of Operations |

9.2.2 Board of Executive Directors

The Board of Directors in the Meeting No. 2/2558, held on February 23, 2015, resolved to amend the authorities and responsibilities of the Board of Executive Directors as follows:

- (1) Supervising and following up the Company's operational results to see if they are in line with the policies, action plans, and the annual budgets as designated and approved by the Board of Directors and periodically report to the Board of Directors.
- (2) Considering, screening, and approving matters proposed by the Managing Director to the Board of Directors.
- (3) Approving the appointment, the removal, and the transfer of senior staff having a position of division director level, or other equivalent position, as well as approving his/her salary, remuneration, and other fringe benefits.

- (4) Approving the following matters concerning finance and assets of the Company:
 - a) Purchasing or procuring expendable, non-expendable items , as stipulated in the annual budget which had already been approved by the Board of Directors, in the amount not exceeding Baht 100,000,000 per item;
 - b) Purchasing or procuring expendable, non-expendable items, which have not been stipulated in the annual budget in the amount not exceeding Baht 20,000,000 per item;
 - c) Purchasing fuel oils which are the main goods including the related products for sale each time in the amount not exceeding Baht 200,000,000;
 - d) Guaranteeing a natural person or juristic person in the matters related to the businesses of the Company in the amount not exceeding Baht 1,000,000 per person;
 - e) Donating money, goods, or products of the Company to any person in the amount not exceeding Baht 100,000 each and the total annual amount not exceeding Baht 1,000,000;
 - f) Disposing the unused or deteriorated assets of the Company having book value not exceeding Baht 1,000,000 per item,
 - g) Borrowing money, not exceeding Baht 50,000,000 each time, from other person/organization that is not a subsidiary for business purpose;
- (5) Assigning or suggesting the Managing Director to consider or to proceed with any matter as the Executive Board deems appropriate.
- (6) Appointing a working group to consider any matter as the Executive Board thinks fit.
- (7) Considering and presenting the matters, as the Executive Board thinks fit to the Board of Directors for acknowledgement or consideration or approval.
- (8) In case of urgency, the Chairman of the Executive Board may consider an appropriate use of the aforementioned authorities and, subsequently, report to the Executive Board.

The Executive Board, as of December 31, 2015, consisted of the following persons:

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|------------------------------|--------------------|
| 1. Mr. Pimuk Simaroj | Chairman |
| 2. Mr. Chairit Simaroj | Executive Director |
| 3. Mr. Pisut Suntichok | Executive Director |
| 4. Mr. Phongsathon Chatnarat | Executive Director |
| 5. Mr. Marvee Simaroj | Executive Director |

9.2.3 Audit Committee

The Board of Directors in the Meeting No. 1/2542, held on March 2, 1999, passed a resolution to establish an Audit Committee consisting of independent directors as an independent entity in the operations, to support and operate on behalf of the Board of Directors, to review the financial reports to be proposed to shareholders and other connected persons, also to review the internal control system as well as the internal audit procedures, and to contact with the external auditors of the Company.



The Board of Directors in its Meeting No. 8/2558, held on August 27, 2015, resolved to amend the Scope of Work of the Audit Committee as follows:

- (1) To consider and oversee that the financial reports of the Company are correct, complete, sufficient, and reliable, by coordinating with the external auditors of the Company, Internal Audit Office, and the Management responsible for preparing financial reports, both on the quarterly and annually bases ;
- (2) To oversee that the Company has suitable and efficient internal control system by reviewing jointly with the external auditors of the Company and the Internal Audit Office to evaluate the effectiveness of the internal control system of the Company;
- (3) To consider and to express opinions in selecting the external auditors and their remuneration to the Board of Directors;
- (4) To oversee that the Company is in compliance with the requirements and laws concerned;
- (5) To oversee that there is no conflict of interest by reviewing the transactions made by the Company with the subsidiaries, the associated companies, and the connected persons;
- (6) To consider and review the corruption risk, arrange for risk evaluation, risk mitigation, and other related matters to Anti-Corruption Policy as assigned by the Board of Directors.
- (7) To prepare the report of the Audit Committee to shareholders, signed by the Chairperson of the Audit Committee, and disclosed it in the Form 56-1 and in the Annual Report of the Company;
- (8) To convene the Meeting of the Audit Committee at least 4 times per annum to consider the matters prescribed by The Stock Exchange of Thailand and other matters as the Audit Committee sees fit. In this regard, the Audit Committee can invite the Management and/or the related parties to join the Meeting to provide the relevant information. A copy of the minutes will be submitted to the Board of Directors for acknowledgement.

In 2015, the Audit Committee had an extraordinary Meeting with the auditors, without the presence of the Management, on December 24, 2015.

The Audit Committee Members, as of December 31, 2015, were as follows:

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| 1. Khunying Serm Sri Bunnag | Chairwoman of the Audit Committee |
| 2. Mr. Yothin Ari | Member of the Audit Committee |
| 3. Mr. Prakrit Pradipasen | Member of the Audit Committee |
| 4. Mrs. Phuangphet Thaweechaiwat | Member of the Audit Committee |
| and Mrs. Piyalaks Simasaengyaporn | Secretary of the Audit Committee |

Mr. Yothin Ari, Mr. Prakrit Pradipasen, and Mrs. Phuangphet Thaweechaiwat have adequate knowledge and experiences on accounting and finance to review the financial reports.

9.2.4 Remuneration and Nomination Subcommittee

On October 30, 2003, the Board of Directors appointed the Remuneration and Nomination Subcommittee to consider and suggest the determination of remuneration and any other fringe benefits of the Management and the staff to the Board of Directors for its consideration, using the remuneration information of the companies in the industries having the similar size, by taking into account the duties and responsibilities of such positions. As to the remuneration of Directors which were in the form of monthly lump sum allowance, the Remuneration and Nomination Subcommittee would propose to the Board of Directors for its consideration who, in turn, would propose it to the Shareholders' Meeting for approval.

On February 27, 2009, the Board of Directors assigned the Remuneration and Nomination Subcommittee to find the persons to be nominated and elected as the directors and top management upon expiration or vacating offices, or other management positions as assigned by the Board of Directors.

The Members of the Remuneration and Nomination Subcommittee, as of December 31, 2015, were as follows:

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|-----------------------------------|-------------------------------|
| 1. Mr. Prakit Pradipasen | Chairman of the Subcommittee |
| 2. Khunying Serm Sri Bunnag | Member of the Subcommittee |
| 3. Mr. Yothin Ari | Member of the Subcommittee |
| and Mrs. Piyalaks Simasaengyaporn | Secretary of the Subcommittee |

In addition to the said Boards, Audit Committee, and the Subcommittee, the Company has two other Committees, namely the Risk Management Committee and the Occupational Safety, Health and Environment Committee, to follow up impact from the risk and safety of the employees and the society.

9.3 Director's Nomination and Election and Top Management's Appointment

9.3.1 Director's Nomination and Election

The Board of Directors has set the Diversity Policy of Board's structure by considering skills, experiences, and gender, and also must be in compliance with the Articles of Association prescribing the Director's election methods and qualifications in Chapter III, as follows:

"Article 14 The Board of Directors of the Company will comprise not less than 5 Directors and not more than 15 Directors, and not less than one half of whom will be of Thai nationality and have domicile in the Kingdom of Thailand.

Article 15 Directors shall be natural persons, irrespective of being shareholders, and shall have qualifications stated in Section 68 of the Public Limited Company Act B.E. 2535.

Article 16 The Meeting of Shareholders will elect the directors under the following guidelines and procedures.

1. One shareholder has one vote per share;
2. Each shareholder will use all of his/her votes as stated in No. 1 to elect a person or several persons to be the director(s) but cannot split his/her votes for any person;
3. The persons who receive the respective highest votes and lower will be elected as directors according to the number of directors which the Company should require or should elect at such time. In the case where the next in ranks have equal votes in excess of the number of directors which the Company should require or should elect at such time, the Chairman will have a casting vote.



Article 17 In every Ordinary General Meeting, one-third of the Directors will vacate offices. If the number of vacating directors cannot be divided into an exact one-third, the nearest of one-third will be applied for the first and the second year, after the incorporation of the Company, there will be drawing lots to judge who will vacate the offices. For the subsequent years, the directors holding offices for a longest period will vacate the offices. The earlier mentioned vacating directors may be re-elected.

Article 20 In the case where the directorship is vacant due to other causes, not because of retiring by rotation, the Board of Directors will select a qualified person who is not prohibited under the Public Limited Company Act B.E. 2535 as the replacing director in the following Meeting, unless the directorship remains less than 2 months. The replacing director will hold office only for the remaining term of the replaced director.

The resolution of directors under the aforementioned paragraph will comprise the votes of not less than three-fourths of the remaining directors.”

The Board of Directors also defines the following official and transparent Director nomination:

1. The Company will give the opportunity to small shareholders to nominate the persons to be elected as directors;
2. The Remuneration and Nomination Committee will find those who are qualified in lieu of the ones who retire by rotation, by taking into consideration the qualifications, education, and experience, as well as the devotable time to perform the Director’s duties, and present to the Board of Directors for nomination;
3. The Board of Directors will give consent to the list of directors to be presented to Ordinary General Meeting for approval.

In the election of the Directors in 2015, the Remuneration and Nomination Subcommittee had considered and opined that to enhance the continuation of the Company’s business management, the Directors whose terms of office expired are qualified and should be re-elected. As a result, it was proposed to the Board of Directors to present to the 2015 Ordinary General Meeting to re-elect every retiring director and proceed with the election as stated in 9.3.1

The 2015 Ordinary General Meeting elected the directors on an individual basis, whereby shareholders had a number of votes equal to the number of shares he/she held, with one share representing one vote, to elect each director. In 2015, every retiring director was re-elected.

New Director Orientation

An Orientation Program covering the information and documents pertaining to the Directors duties and obligations, such as Directors Guidelines, Articles of Association, Ethics Manual, Capital Structure, Shareholding Structure, Organizational Structure, Operating Results, Related Laws and Regulations will be provided to all new Directors to enhance their knowledge and understanding of the Company’s business.

9.3.2 Top Management Appointment

The Board of Directors has duties, authorities, and responsibilities to fill the post, appoint, and remove the Management at the level of the Assistant Managing Director and higher. In this regard, the Board of Directors had assigned the Remuneration and Nomination Committee to find and consider suitable person prior to presenting him/her to the Board of Directors for appointment.

9.4 Assessment of the Board of Directors and Assessment of Productivity of the Managing Director

The Company has arranged for self-assessments of the Board of Directors, and each Subcommittee, and Individual Directors, and an assessment of the productivity of the Managing Director to evaluate the effectiveness of the Board of Directors and the Managing Director according to corporate governance principles. The four assessments have the following principles, translating as percentages of the full marks according to the levels of achievements:

| | | |
|-----------|---|------------------|
| Over 80% | = | Excellent |
| Over 70% | = | Very good |
| Over 60% | = | Good |
| Over 50% | = | Fair |
| Below 50% | = | Need improvement |

The Corporate Secretary Office had distributed the assessment forms not less than seven days in advance to all Directors so that each of them would have enough time to fill out the forms. Subsequently, the Corporate Secretary Office collected all completed forms and evaluated the results, including all suggestions, and then reported the results at the following Board of Directors' Meeting to use the results to improve the overall performances of the Board, the Subcommittees, Individual Directors, and the Managing Director.

In 2015, each Director completed the assessment forms and the Corporate Secretary Office reported the results of the assessments in the Board of Directors' Meeting No.12/2558 on December 24, 2015, the results of which can be summarized as follows:

1. Self-assessment of the Board of Directors
 - 1.1 Self-assessment of the Board of Directors to evaluate the performance of the Boards, consisting of four sections: (1) Board Composition and Qualifications, (2) Performing Duties in the Meetings, (3) Roles, Duties, and Responsibilities of the Board of Directors, and (4) Others. The result indicated excellent performance with an average score of 82.50%.
 - 1.2 Self-assessment of the Subcommittees to evaluate the performance of the Subcommittees, consisting of three sections: (1) Subcommittee Composition and Qualifications, (2) Performing Duties in the Meetings, (3) Roles, Duties, and Responsibilities of Subcommittees. The results indicated excellent performance with an average score of 81.30%.
 - 1.3 Self-assessment of Individual Directors to evaluate the performance of each Director, consisting of three sections: (1) Board Composition and Qualifications, (2) Performing Duties in the Meetings, (3) Roles, Duties, and Responsibilities of each individual. The results indicated excellent performance with an average score of 87.37%.
2. Assessment of the Managing Director to evaluate his productivity, consisting of ten sections: (1) Leadership, (2) Strategy Formulation, (3) Strategy Implementation, (4) Financial Planning and Result, (5) Relationship with the Board, (6) External Relations, (7) Management Skill and Staff Relations, (8) Succession Plan, (9) Knowledge of Products and Services, and (10) Personal Qualifications. The Strengths which should be kept and the Weaknesses which should be improved; however, as the assessment results of the Managing Director are confidential and personal; thus, they cannot be disclosed.



9.5 Corporate Governance of the Subsidiaries

In governing the operations of the subsidiaries, the Board of Directors appointed appropriate persons to be Directors or Management of the subsidiaries. The number of Directors was in proportion to the shareholding.

To enable the Management of those companies to be in the same direction as the Company's, it was determined that the Board of Directors, and the Management of the subsidiaries use the same criteria on the operational planning, information disclosure, financial position and results of operations, connected transactions, acquisition or disposal of the assets, and internal control system, including data collection and account entry which could be auditable by the Company.

The persons appointed as Directors or the Management of the subsidiaries would report the results of the operations of the subsidiaries to the Board of Directors on a monthly basis.

9.6 Exploitation of Inside Information

The Company deems that the Directors, the Management, and the employees are strictly responsible to protect the information of the Company secret, particularly the inside information which has not yet been disclosed to the general public, inclusive of the information which may affect the business operations or the share prices. This is to prevent the undue exploitation of the inside information for one's own benefits or for the benefits of other persons.

The Board of Directors has stipulated the methods of preventing the Directors, the Management, and the related parties to use the inside information for their own benefits, as follows:

- (1) The Directors, the Management, or the related parties who have known the inside information are prohibited to disclose it to the third parties or the irrelevant persons and will not exploit the confidential information of the Company for their own benefits or for the benefits of other persons ;
- (2) The Directors, the Management, or the related parties who have known the inside information are prohibited to use such information for their own benefits or the benefits of other persons in trading the Company's shares;
- (3) Whoever is in violation of or not in compliance with the said matters on using inside information shall be punished as appropriate; the maximum sentence is to dismiss.

Additionally, the Directors and the Management will also have to report the change in the Company's securities held to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Commission Act B.E. 2535 within 3 working days and report to the Board on a monthly basis.

9.7 Auditor's Remuneration

The Company and its subsidiaries paid the remuneration to the external auditors for the accounting year 2015, starting from January 1 to December 31, as follows:

Unit : Baht

| | The Company | The Subsidiaries | Total |
|--------------------------------------|-------------|------------------|------------------|
| 9.7.1. Audit fee in the amount of | 1,638,000 | 1,962,000 | 3,600,000 |
| 9.7.2. Non – audit fee in the amount | 48,530 | 36,143 | 84,673 |
| Grand Total | | | 3,684,673 |

9.8 Anti-Corruption

On November 28, 2013, the Company signed the Declaration of Intent of “Private Sector Collective Action Coalition Against Corruption” or “CAC” and on August 27, 2015, the Board of Directors’ Meeting unanimously resolved to assign the Audit Committee to oversee the Anti-Corruption Policy and, on the same day, the Audit Committee appointed the Anti-Corruption Working Group, the roles and responsibilities of which were as follows:

- (1) To establish the Anti-Corruption Policy and its guidelines and, subsequently, communicate to all Directors, Management, employees, and other business related external units.
- (2) To follow up the results of the implementation of the said policy.
- (3) To receive and consider anti-corruption complaints from the Group of Companies, if any.
- (4) To directly report the results of No. (1) - (3) mentioned above to the Audit Committee so that they will be considered and, subsequently, reported to the Board of Directors. Up to the end of December, 2015, the Anti-Corruption Working Group had been under the process of summarizing corruption risk assessment.

9.9 Other Corporate Governance Compliance

The Board of Directors oversees the affairs of the Company that they are in compliance with the good corporate governance as continually announced by SET, covering 5 parts, namely the shareholders’ rights, equal treatment of shareholders, taking into consideration the roles towards the stakeholders, information disclosure and transparency, and responsibilities of the Board of Directors. In addition, the Board of Directors also has policies to adhere to other good corporate governance compliances, such as anti-corruption policy, etc. For the time being, the Company is in the process of prescribing practical criteria conformity to such policies.

10. Corporate Social Responsibilities and Environment

Since 2008, the Company and its subsidiaries have raised awareness of the employees’ accountability to the communities and societies in order to develop the employees’ mind for realizing the importance of the joint efforts to create the cultures of the Group of Companies in the business operations not to merely focus on the benefits of the employees and the Company, but to also create benefits for societies, communities, and environment.

The important activities regarding corporate governance implemented by the Company and its subsidiaries in 2015 were as follows :

- (1) The “Little Angel” Project

To comply with the concept of business operations aiming at the Company and its subsidiaries would grow together with the communities per the expression “SUSCO : Good Things Near the Communities”. the “Little Angel” Project has continuously been implemented since 2008 to assist the disadvantaged children by giving scholarships to those who have good academic records, being a grateful person, having good behavior, but lacking money, by assigning the area managers and the service station managers of each area to communicate with schools situated in the vicinity of the service stations of the Company and its subsidiaries to screen the student who is qualified under the aforementioned criteria to receive Baht 5,000 per scholarship and also give sports equipment having a value of Baht 5,000 to the school where the scholarship grantee study.



In 2015, the Company launched a campaign of the “Little Angel” Project via “Jew Sar Tar Fun” Programs via Channel 8, Digital TV.

The “Little Angel”, who has received the scholarship, will periodically send a letter to the Company or its subsidiaries, and the scholarship granter, to narrate various matters about his/her life and livelihood, which the Company, its subsidiaries, and staffs are pleased to know about the benefits of the Project to the grantee.

Throughout the 6 years of the implementation of this Project, the scholarships had been granted to 124 students of the schools located in various regions of the country.



Giving the scholarships to chosen schools

(2) The Blood Donation Project

The Blood Donation Project is the project which has been regularly implemented by the Company and its subsidiaries twice a year.

In 2015, the Company and its subsidiaries organized 2 Blood Donation Projects on April 9 and September 29 supported by the Mobile Blood Donation Unit, Somdejprapinklao Hospital



(3) The Energy Conservation Campaign Project

Since 2004, the Company and its subsidiaries have implemented the Energy Conservation Campaign Project, which the employees have participated in determining the energy conservation measures by various methods, such as turning off the lights and air conditioners during lunch break and half an hour prior to end of the working hours, and saving the paper usage in every way. These projects help the employees to better understand their roles and to proudly take part in efficient energy saving to reduce the global warming and the expenses on energy and resource usage in a tangible manner.



Saving electricity campaign board



Water conservation campaign board (posted in the Company's toilets)

11. Internal Control and Risk Management

11.1 Opinion of the Board of Directors

The Board of Directors in its Meeting No. 2/2559, held on February 24, 2016, assessed the adequacy of the internal control system of the Company, ended December 31, 2015, based on the report of the Audit Committee, and was of the opinion that the Company already had adequate internal control system which could be summarized as follows:

11.1.1 Organizational Internal Control

Having good organizational structure and environment are essential foundations for the effective and efficient internal control system; therefore, the Company establishes its organization, system, and conditions to facilitate the efficient internal control system which can be effectively utilized. The internal control principles are as follows:

- (1) Organizational Structure: The Company has a clear organizational structure, appropriate for the business operations. It is divided into 2 main lines, namely a) Operations which oversee and direct activities of sales, marketing, engineering, complementary business, business development, and oil depots; b) Administration which oversees and directs activities of finance, accounting, purchasing, law, information technology, and human resources.



- (2) **Business Goals Setting:** The Board of Directors will consider whether the goals in the business operations as set by the Management and the annual revenue and expenditure budgets are clear, practicable, and measureable, and whether all work units can use such budgets as their plans that they have to follow and use them in their work management and control. The plans will be periodically adjusted when there is an event causing significant changes.
- (3) **Ethics Determination:** The Board of Directors determines that every Director, Management, and employee will adhere to the Company's Business Ethics Manual and use it as a guideline for the good corporate governance practices. In the Manual, the Directors, Management, and employees are prohibited from the deeds which may cause conflict of interest with the Company.
- (4) **Financial Transactions:** The Company has prescribed standard operating procedures for the Management and operators of each work unit to follow as guidelines and operational controls in each case by having clear segregation of duties, responsibilities, and authorities to prevent the act or the undue exercise of power.

11.1.2 Management Operational Control

Management operational control is important to ensure that the guidelines as prescribed by the Management will be responded and implemented by every employee. The aforesaid guidelines are as follows:

- (1) The Board of Directors has prescribed in writing authorities, responsibilities, and approval authorities of the Management by clearly state them in the Management orders.
- (2) Segregation of positions and duties which may facilitate the undue operations; in addition, the Management operating procedures also have clear segregation of authorities and duties of the approval, account entry, and storing of assets;
- (3) Determination of the procedures for connected transactions and transactions made with the related parties will be done for the maximum benefits of the Company in an appropriate and transparent manner to prevent the transferring of benefits. The Management has its duties and responsibilities as assigned by the Company to oversee that such transaction has been hierarchically approved per the guidelines of the Securities and Exchange Commission and The Stock Exchange of Thailand. The interested parties shall not participate in the approval of such transactions. Additionally, supervisory measures are set to prohibit the exploitation of the Company's opportunities for personal benefits.

In the event that long term business transactions with connected parties are approved, the Accounting and Finance Department, Legal and Internal Audit Division, together with the Management will oversee if all approved conditions are met.

For the subsidiaries, the Management who are the Directors or the Management of such will closely supervise their operations and will periodically report the operational results to the Board of Directors, who, in turn, will give them guidelines for implementation.

The "Business Ethics Manual," "Articles of Association," and "Work Rules and Regulations," stipulate that every Director, Management, and employee must, at all times, oversee that the operations of SUSCO Group comply with all relevant laws.

11.1.3 Information System and Communication

In presenting a proposal to the Board of Directors, the department concerned will provide sufficient, correct, and updated information to enable the Board of Directors in decision-making. The Company will submit the meeting notice together with the agendas and supporting documents, to all directors at least 7 days prior to the Meeting date.

The Company Secretary will be responsible for recording the Minutes of the Board of Directors with remarks and opinions, made by the directors (if any).

The Company completely keeps supporting documents of all accounts clearly classified by the periods of time and will provide special space and rooms to keep the documents. The auditors have never made a remark on the weakness of the accounting document storage.

The Company uses the accounting policies in accordance with generally accepted accounting standards to prevent a distortion of the operational results from the facts.

The Board of Directors fully realizes that the information of the Company is very valuable in the decision making of the investors and stakeholders, thus the Management is assigned to fully disclose the complete, true and reliable information within the prescribed time limit of the authorities concerned, the matters in which the Management always adheres to.

11.1.4 Follow-up System

The Management prepares the results of operations report comparing with the targets and budgets as approved by the Board of Directors, the differences of which will be analyzed and proposed to the Board of Directors' Meeting on a monthly basis to enable the Board to understand and follow up the operational results and to develop the operating efficiency to keep pace with the events.

In the case where the actual operational results are significantly lower from the targets, the concerned parties will analyze the problems and propose the corrective measures in due time to the Management for consideration.

Every employee and unit chief at all levels have duties and responsibilities to comply with the internal control system as stipulated by the Company. As to the inspecting and monitoring of the system compliance, other than the above mentioned staff, the Company also has the Internal Audit Office, the Audit Committee, the Board of Executive Directors, the Board of Directors, and external auditors to oversee the system compliance.

To enable the internal auditors to independently perform their duties, the Board of Directors assigned the Internal Audit Office to report the audit findings directly to the Audit Committee on a regular basis.

In case a major defect is found, the Audit Committee will notify it to the management for immediate correction or improvement, and also will notify the Board of Directors of such matter for acknowledgment.

The unit chief and the internal auditors will report the progress of the defect correction to his own superior and to the Audit Committee, respectively. Subsequently, if appropriate, the Audit Committee will hold a meeting with the Management and will report to the Board of Directors for acknowledgement.

The chief of the unit where the defect is found, will report the matter together with the details thereof to his superior for acknowledgment and/or for hierarchical consideration at the earliest convenience. Moreover, if such problem is caused by a corruption and/or a violation of laws or rules and regulations which may adversely and significantly affect the reputation and financial condition of the Company, the Management will have to also report the problem to the Board of Directors.



Matters on Risk Management

As the business operations of the Company have a number of risks due to internal and external factors; therefore, to prevent and to limit them (if any) so that they would have the least impact on the Company, the Board of Directors has set the policies and measures on the operational risk management, as follows :

1. It is the duty and responsibility of the Management to analyze, assess, and prevent the internal and external risks which may significantly affect the Company's business operations;
2. If there is an event which has caused or may cause business risks, the Management concerned will analyze such risk and hierarchically propose the preventive guidelines to the concerned parties. If such risk is important, the Management concerned will report the matter to the Board of Directors for acknowledgment or consideration, as the case may be.

To enhance the effectiveness on the implementation of the said policies and measures on such operations, the Board of Directors established the Risk Management Committee, by having the Managing Director as the Chairman, the Deputy Managing Director for Administration as the Vice Chairman, and directors of all divisions as the members, to determine the guidelines for risk management in every aspect of the Company.

In 2015, the Company had no significant and substantial problem derived from the risk management.

Matters on Occupational Safety, Health, and Environment

The Board of Directors abides by the policies and guidelines as prescribed by the Department of Labor Protection and Welfare in the administration and management of occupational safety, health, and environment to prevent and reduce accidents and damages, as well as to promote and support the workplace health and safety activities of the Company.

In 2015, the Company had no significant and substantial problem derived from the risks of Occupational Safety, Health, and Environment.

11.2 Opinion of the Audit Committee

The Audit Committee expressed its opinions concerning the internal control in the "Report of the Audit Committee for Shareholders," a part of which was, "Audit in 2015 : the scope of audits shall cover important risks and adequacy of the internal control system, the significant defect of which has not been found."

11.3 Chief of Internal Audit Office

Mr. Kiatiphong Sae Lim has been appointed as the Chief of Internal Audit Office to audit the internal control system of every work unit, as well as those of the service stations of the Company and its subsidiaries.

12. Inter - Company Transaction

The Company had the inter-company transactions with the related companies in 2015 in the total amount of Baht 9.10 million, as shown in the following table. These transactions came from oil sale and other incomes, and other expenses, such as use of transportation services with trade agreements between the Company and the related companies. The terms of the trade agreements were not different from those made by the Company and the subsidiaries with the third parties. After the Audit Committee had reviewed these transactions, it was agreed that they were appropriately done and were fair to all concerned parties to maximize the benefits of the Company.



The detailed inter-company transactions were as follows:

Inter - Company transactions over the past 4 years

Unit : Million Baht

| Company | Relationship | Investment Ratio | Transactions | 2015 | 2014 | 2013 | 2012 |
|------------------------------|--------------------------|---------------------|---|-------------|-------------|-------------|-------------|
| Siam Truck Service Co., Ltd. | Jointly having directors | - | Transportation, handling, and repair exp. | 6.98 | 6.72 | 6.97 | 5.82 |
| | | | Other revenues | 2.12 | 1.41 | 1.26 | 0.99 |
| | | | Total | 9.10 | 8.13 | 8.23 | 6.81 |



Part Three
Financial Statements

13. Significant Financial Information

13.1 Independent Auditor's Report

In 2015, Mr. Vairoj Jindamaneepitak, the auditor of the Company and its Subsidiaries, Certified Public Accountant Registration No. 3565 from KPMG Phoomchai Audit Ltd. reported that :

I have audited the accompanying consolidated and separate financial statements of SUSCO Public Company Limited and its subsidiaries (the "Group") and of SUSCO Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 9 to the financial statements which describe the effect of the adjustment of investment. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2014 after making the adjustment described in note 9.

13.2 Comparison of Consolidated Financial Statements

SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31, 2015, 2014, 2013, and 2012

Unit : Thousand Baht

| Items | 2015 | | 2014 | | 2013 | | 2012 | |
|----------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Assets | | | | | | | | |
| <i>Current assets</i> | | | | | | | | |
| Cash and cash equivalents | 612,819 | 11.87 | 334,026 | 6.16 | 331,433 | 5.68 | 455,031 | 7.33 |
| Trade accounts receivable | 429,373 | 8.32 | 704,781 | 12.99 | 698,153 | 11.96 | 701,279 | 11.30 |
| Other receivables | 89,956 | 1.74 | 75,778 | 1.40 | 48,658 | 0.83 | 14,577 | 0.23 |
| Inventories | 476,863 | 9.24 | 721,118 | 13.29 | 877,040 | 15.03 | 715,822 | 11.53 |
| Other current assets | 97,325 | 1.89 | 131,283 | 2.42 | 111,997 | 1.92 | 386,709 | 6.23 |
| Total current assets | 1,706,336 | 33.06 | 1,966,986 | 36.25 | 2,067,281 | 35.41 | 2,273,418 | 36.62 |
| <i>Non-current assets</i> | | | | | | | | |
| Investments in associates | 35,805 | 0.69 | 44,821 | 0.83 | 43,369 | 0.74 | 46,209 | 0.74 |
| Other long-term investments | 373,185 | 7.23 | 318,998 | 5.88 | 500,617 | 8.58 | 430,237 | 6.93 |
| Investment properties | 992,603 | 19.23 | 1,024,737 | 18.89 | 1,127,181 | 19.31 | 1,173,788 | 18.91 |
| Property, plant and equipment | 1,324,820 | 25.67 | 1,252,325 | 23.08 | 1,204,480 | 20.63 | 1,290,768 | 20.79 |
| Intangible assets | 98,091 | 1.90 | 103,762 | 1.91 | 112,031 | 1.92 | 116,914 | 1.88 |
| Deferred tax assets | 20,597 | 0.40 | 20,793 | 0.38 | 16,502 | 0.28 | 12,876 | 0.21 |
| Other non-current assets | 609,471 | 11.81 | 693,263 | 12.78 | 765,680 | 13.12 | 864,485 | 13.92 |
| Total non-current assets | 3,454,572 | 66.94 | 3,458,699 | 63.75 | 3,769,860 | 64.58 | 3,935,277 | 63.38 |
| Total assets | 5,160,908 | 100.00 | 5,425,685 | 100.00 | 5,837,141 | 100.00 | 6,208,695 | 100.00 |



SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31, 2015, 2014, 2013, and 2012

Unit : Thousand Baht

| Items | 2015 | | 2014 | | 2013 | | 2012 | |
|--|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Liabilities and equity | | | | | | | | |
| <i>Current liabilities</i> | | | | | | | | |
| Bank overdrafts and short-term loans | | | | | | | | |
| from financial institutions | 200,000 | 3.88 | 16,558 | 0.31 | 149,887 | 2.57 | 521,147 | 8.39 |
| Trade accounts payable | 766,909 | 14.86 | 724,203 | 13.35 | 977,328 | 16.74 | 985,820 | 15.88 |
| Other payables | 146,144 | 2.83 | 113,294 | 2.09 | 92,727 | 1.59 | 264,990 | 4.27 |
| Current portion of long-term loans | 295,750 | 5.73 | 342,750 | 6.32 | 267,750 | 4.59 | 127,000 | 2.05 |
| Current portion of finance lease liabilities | 4,117 | 0.08 | 3,219 | 0.06 | 3,439 | 0.06 | 2,399 | 0.04 |
| Income tax payable | 2,315 | 0.04 | 547 | 0.01 | 6,227 | 0.11 | 13,530 | 0.22 |
| Provisions | - | - | - | - | 191,932 | 3.29 | - | - |
| Other current liabilities | 23,246 | 0.45 | 31,431 | 0.58 | 33,312 | 0.57 | 82,997 | 1.34 |
| Total current liabilities | 1,438,481 | 27.87 | 1,232,002 | 22.71 | 1,722,602 | 29.51 | 1,997,883 | 32.18 |
| <i>Non-current liabilities</i> | | | | | | | | |
| Long-term loans | 431,415 | 8.36 | 1,046,165 | 19.28 | 1,280,915 | 21.94 | 1,460,570 | 23.52 |
| Finance lease liabilities | 5,704 | 0.11 | 5,669 | 0.10 | 6,365 | 0.11 | 3,477 | 0.06 |
| Deferred tax liabilities | 106,512 | 2.06 | 98,306 | 1.81 | 53,516 | 0.92 | 34,092 | 0.55 |
| Employee benefit obligations | 28,035 | 0.54 | 31,067 | 0.57 | 29,822 | 0.51 | 31,073 | 0.50 |
| Long-term provisions | - | - | - | - | - | - | 276,932 | 4.46 |
| Other non-current liabilities | 47,117 | 0.91 | 51,437 | 0.95 | 58,052 | 0.99 | 42,293 | 0.68 |
| Total non-current liabilities | 618,783 | 11.99 | 1,232,644 | 22.72 | 1,428,670 | 24.48 | 1,848,437 | 29.77 |
| Total liabilities | 2,057,264 | 39.86 | 2,464,646 | 45.43 | 3,151,272 | 53.99 | 3,846,320 | 61.95 |

SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31, 2015, 2014, 2013, and 2012

Unit : Thousand Baht

| Items | 2015 | | 2014 | | 2013 | | 2012 | |
|--|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Equity | | | | | | | | |
| Share Capital - Par value of Baht 1.00 per share | | | | | | | | |
| Authorized share capital | 1,375,000 | 26.64 | 1,375,000 | 25.34 | 1,395,000 | 23.90 | 1,395,000 | 22.47 |
| Issued and paid-up share capital | 1,100,000 | 21.31 | 1,100,000 | 20.27 | 1,100,000 | 18.84 | 1,100,000 | 17.72 |
| Treasury shares | - | - | - | - | - | - | (22,892) | (0.37) |
| Additional paid-in capital: | | | | | | | | |
| Premium on ordinary shares | 45,000 | 0.87 | 45,000 | 0.83 | 45,000 | 0.77 | 45,000 | 0.72 |
| Surplus on treasury shares | 204,339 | 3.96 | 204,339 | 3.77 | 204,339 | 3.50 | - | - |
| Surplus from decreasing share capital by writing off treasury shares | 40,122 | 0.78 | 40,122 | 0.74 | 40,122 | 0.69 | 40,122 | 0.65 |
| Retained earnings | 27,498 | 0.53 | - | - | - | - | - | - |
| Appropriated | | | | | | | | |
| Legal reserve | 61,355 | 1.19 | 46,784 | 0.86 | 44,723 | 0.77 | 40,074 | 0.65 |
| Treasury shares reserve | - | - | - | - | - | - | 22,892 | 0.37 |
| Unappropriated | 1,503,079 | 29.12 | 1,443,643 | 26.61 | 1,201,765 | 20.59 | 1,149,589 | 18.52 |
| Other components of equity | 122,251 | 2.37 | 81,151 | 1.50 | 49,920 | 0.86 | (12,410) | (0.20) |
| Equity attributable to owners of the Company | 3,103,644 | 60.14 | 2,961,039 | 54.57 | 2,685,869 | 46.01 | 2,362,375 | 38.05 |
| Non-controlling interests | - | - | - | - | - | - | - | - |
| Total equity | 3,103,644 | 60.14 | 2,961,039 | 54.57 | 2,685,869 | 46.01 | 2,362,375 | 38.05 |
| Total liabilities and equity | 5,160,908 | 100.00 | 5,425,685 | 100.00 | 5,837,141 | 100.00 | 6,208,695 | 100.00 |



SUSCO Public Company Limited and its Subsidiaries

Statement of changes in equity

For the year ended December 31, 2015, 2014, 2013, and 2012

Unit : Thousand Baht

| Items | 2015 | 2014 | 2013 | 2012 |
|---|------------------|------------------|------------------|------------------|
| | Amount | Amount | Amount | Amount |
| Issued and paid-up share capital | | | | |
| Beginning of the year | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| Increase during of the year | - | - | - | - |
| Decrease during of the year | - | - | - | - |
| Balance end of the year | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| Treasury shares | | | | |
| Beginning of the year | - | - | (22,892) | (22,892) |
| Increase during of the year | - | - | 22,892 | - |
| Balance end of the year | - | - | - | (22,892) |
| Premium on ordinary shares | | | | |
| Beginning of the year | 45,000 | 45,000 | 45,000 | 45,000 |
| Increase during of the year | - | - | - | - |
| Balance end of the year | 45,000 | 45,000 | 45,000 | 45,000 |
| Surplus on treasury shares | 204,339 | 204,339 | 204,339 | - |
| Surplus from decreasing share capital by writing off treasury shares | 40,122 | 40,122 | 40,122 | 40,122 |
| Warrants | 27,498 | - | - | - |
| Retained earnings | | | | |
| Appropriated | | | | |
| Legal reserve | | | | |
| Beginning of the year | 46,784 | 44,723 | 40,074 | 32,367 |
| Increase during of the year | 14,571 | 2,061 | 4,649 | 7,707 |
| Balance end of the year | 61,355 | 46,784 | 44,723 | 40,074 |
| Treasury shares reserve | - | - | - | 22,892 |
| Unappropriated | | | | |
| Beginning of the year | 1,446,099 | 1,204,922 | 1,149,589 | 179,661 |
| Effect from adjustment | (2,456) | (3,157) | - | - |
| Impact from changes in accounting policies | - | - | - | 8,211 |
| Effect from combination business | - | - | - | - |
| Treasury shares reserve | - | - | 22,892 | - |
| Legal reserve | (14,571) | (2,061) | (4,649) | (7,707) |
| Dividends | (87,994) | (98,970) | (140,790) | (105,994) |
| Increase (decrease) during of the year | 162,001 | 342,909 | 174,723 | 1,075,418 |
| Balance end of the year | 1,503,079 | 1,443,643 | 1,201,765 | 1,149,589 |
| Other components of equity | | | | |
| Revaluation surplus | 880 | 880 | 1,100 | 1,100 |
| Impact from changes in accounting policies | - | - | (220) | (220) |
| Differences from fair value changes in available-for-sale investments | 116,964 | 73,614 | 43,014 | (13,290) |
| Differences from foreign currency translation for foreign operations | (25) | (25) | 121 | - |
| Share of other comprehensive income (loss) of investment in associates | 4,432 | 6,682 | 5,905 | - |
| Total | 122,251 | 81,151 | 49,920 | (12,410) |
| Total equity | 3,103,644 | 2,961,039 | 2,685,869 | 2,362,375 |

SUSCO Public Company Limited and its Subsidiaries

Statement of comprehensive income

For the year ended December 31, 2015, 2014, 2013, and 2012

Unit : Thousand Baht

| Items | 2015 | | 2014 | | 2013 | | 2012 | |
|--|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Income | | | | | | | | |
| Revenue from sale, net | 19,214,916 | 97.98 | 24,508,053 | 97.13 | 23,122,812 | 97.97 | 15,836,514 | 92.90 |
| Gain on a bargain purchase | - | - | - | - | - | - | 935,607 | 5.49 |
| Other income | 397,096 | 2.02 | 724,524 | 2.87 | 478,101 | 2.03 | 275,356 | 1.62 |
| Total income | 19,612,012 | 100.00 | 25,232,577 | 100.00 | 23,600,913 | 100.00 | 17,047,477 | 100.00 |
| Expenses | | | | | | | | |
| Cost of sold of goods | 18,234,225 | 92.97 | 23,621,504 | 93.62 | 22,233,990 | 94.21 | 15,292,506 | 89.71 |
| Selling and administrative expenses | 1,140,644 | 5.82 | 1,132,093 | 4.49 | 1,017,966 | 4.31 | 640,495 | 3.76 |
| Finance costs | 61,368 | 0.31 | 90,689 | 0.36 | 117,494 | 0.50 | 47,266 | 0.28 |
| Total expenses | 19,436,237 | 99.10 | 24,844,286 | 98.46 | 23,369,450 | 99.02 | 15,980,267 | 93.74 |
| Share of profit (loss) from investment in associate company | (4,544) | (0.02) | 675 | 0.00 | (203) | (0.00) | 7,810 | 0.05 |
| Profit (loss) before income tax expense | 171,231 | 0.87 | 388,966 | 1.54 | 231,260 | 0.98 | 1,075,020 | 6.31 |
| Income tax expense | 16,151 | 0.08 | 46,070 | 0.18 | 53,380 | 0.23 | 17,788 | 0.10 |
| Profit (loss) for the year | 155,080 | 0.79 | 342,896 | 1.36 | 177,880 | 0.75 | 1,057,232 | 6.20 |
| Other comprehensive income | | | | | | | | |
| Items that will never be reclassified to profit or loss | | | | | | | | |
| Actuarial gain on employee benefit obligation | 6,921 | 0.04 | 13 | 0.00 | - | - | - | - |
| | 6,921 | 0.04 | 13 | 0.00 | - | - | - | - |
| Items that are or may be reclassified to profit or loss | | | | | | | | |
| Foreign currency translation differences for foreign operations | - | - | (146) | (0.00) | 121 | 0.00 | - | - |
| Share of other comprehensive income (loss) of investment in associates | (2,250) | (0.01) | 777 | 0.00 | - | - | - | - |
| Net change in fair value of available-for-sale investment | 43,350 | 0.22 | 30,600 | 0.12 | 56,304 | 0.24 | 4,896 | 0.03 |
| | 41,100 | 0.21 | 31,231 | 0.12 | 56,425 | 0.24 | 4,896 | 0.03 |
| Other comprehensive income for the year, net of income tax | 48,021 | 0.24 | 31,244 | 0.12 | 56,425 | 0.24 | 4,896 | 0.03 |
| Total comprehensive income for the year | 203,101 | 1.04 | 374,140 | 1.48 | 234,305 | 0.99 | 1,062,128 | 6.23 |
| Profit (loss) attributable to: | | | | | | | | |
| Owners of the Company | 155,080 | 0.79 | 342,896 | 1.36 | 177,880 | 0.75 | 1,057,232 | 6.20 |
| Non-controlling interests | - | - | - | - | - | - | - | - |
| Profit (loss) for the year | 155,080 | 0.79 | 342,896 | 1.36 | 177,880 | 0.75 | 1,057,232 | 6.20 |
| Total comprehensive income attributable to: | | | | | | | | |
| Owners of the Company | 203,101 | 1.04 | 374,140 | 1.48 | 234,305 | 0.99 | 1,062,128 | 6.23 |
| Non-controlling interests | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | 203,101 | 1.04 | 374,140 | 1.48 | 234,305 | 0.99 | 1,062,128 | 6.23 |
| Earnings per share (in Baht) | | | | | | | | |
| Basic earnings per share | 0.14 | 0.00 | 0.31 | 0.00 | 0.16 | 0.00 | 1.00 | 0.00 |
| Diluted earnings per share | 0.14 | 0.00 | 0.31 | 0.00 | 0.16 | 0.00 | 1.00 | 0.00 |



SUSCO Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended December 31, 2015, 2014, 2013, and 2012

Unit : Thousand Baht

| Items | 2015 | 2014 | 2013 | 2012 |
|---|------------------|----------------|----------------|----------------|
| | Amount | Amount | Amount | Amount |
| Cash flows from operating activities | | | | |
| Profit (loss) for the year | 155,080 | 342,896 | 177,880 | 1,057,232 |
| Adjustments for | | | | |
| Depreciation | 136,754 | 186,375 | 188,671 | 76,526 |
| Amortization | 110,962 | 71,828 | 75,908 | 24,493 |
| Bad debt and doubtful debt | 5,935 | 1,295 | 6,254 | (4,462) |
| Provision for employee benefit | 5,805 | 1,615 | 5,068 | 4,717 |
| (Reversal)loss on impairment of assets | (819) | 33,971 | 26,242 | - |
| Dividend income | (9,012) | (9,996) | - | - |
| Finance costs | 1,615 | 1,249 | (46,886) | (31,112) |
| Unrealized gain (loss) on exchange | 61,368 | 90,689 | 117,494 | 47,266 |
| Gain on sales of trading securities | 720 | 2,062 | (2,970) | (1,287) |
| Gain on sales of long-term investment | (308) | - | (254) | - |
| Gain on sales of investment in subsidiary | - | (233,883) | - | - |
| Gain on disposal of property, plant and equipment | - | (10,252) | - | - |
| Loss from disposal of investment in associates | 29 | - | (90) | (480) |
| Share of (profit) loss of investment in associates | 4,544 | (675) | 203 | (7,810) |
| Reversal allowance for decline in value of inventories | (30,362) | 64,135 | - | - |
| Reversal of provision | - | (122,125) | (84,994) | - |
| Reversal allowance for impairment of investment in associates | - | - | - | (12,428) |
| Gain on bargaining of investment in subsidiary | - | - | - | (935,607) |
| Income tax expense | 16,151 | 46,070 | 53,380 | 17,788 |
| | 458,462 | 465,254 | 515,906 | 234,836 |
| Changes in operating assets and liabilities | | | | |
| Trade receivables | 271,554 | (3,041) | 5,735 | (235,215) |
| Other receivables | (15,870) | (34,523) | (37,510) | 39,143 |
| Inventories | 274,617 | 91,785 | (161,218) | 166,022 |
| Other current assets | 53,501 | (11,684) | 274,662 | (39,288) |
| Other non-current assets | (21,330) | 37,866 | 36,581 | 87,956 |
| Trade payables | 41,585 | (253,125) | (8,492) | 262,631 |
| Other payables | 31,998 | 35,049 | (65,754) | (118,593) |
| Other current liabilities | (8,185) | (1,946) | (49,686) | 67,049 |
| Other non-current liabilities | (4,321) | (6,614) | 17,176 | 5,996 |
| Cash generated from operating activities | 1,082,011 | 319,021 | 527,400 | 470,537 |
| Employee benefit paid | (186) | (354) | (6,319) | (331) |
| Income tax paid | (22,419) | (31,385) | (39,834) | (65,325) |
| Net cash from operating activities | 1,059,406 | 287,282 | 481,247 | 404,881 |

SUSCO Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended December 31, 2015, 2014, 2013, and 2012

Unit : Thousand Baht

| Items | 2015 | 2014 | 2013 | 2012 |
|--|------------------|------------------|------------------|--------------------|
| | Amount | Amount | Amount | Amount |
| Cash flows from investing activities | | | | |
| Received interest | - | - | - | 4 |
| Sale of current investment | 308 | - | - | - |
| Dividend received | 9,012 | 9,996 | - | - |
| Proceeds from sale of long-term investment | - | 453,752 | - | - |
| Proceeds from sale of investment in subsidiary | - | 12,727 | - | - |
| Proceeds from capital distribution in associates | 2,193 | - | 7,975 | 6,245 |
| Purchase of property, plant and equipment | (177,108) | (246,314) | (51,610) | (145,850) |
| Sale of property, plant and equipment | 12,223 | 49,169 | 85,825 | 62,394 |
| Purchase of intangible assets and leasehold rights | (22,642) | (50,332) | - | - |
| Acquisition of current investment | - | - | (960,000) | - |
| Proceeds from sale of current investment | - | - | 960,254 | - |
| Acquisition of investment in subsidiaries | - | - | (197,586) | (1,415,464) |
| Investment in associates | - | - | (2,500) | - |
| Net cash used in investing activities | (176,014) | 228,998 | (157,642) | (1,492,671) |
| Cash flows from financing activities | | | | |
| Interest paid | (62,630) | (118,232) | (120,673) | (68,548) |
| Dividends paid to owners of the Company | (87,756) | (98,778) | (140,723) | (105,540) |
| Payment in finance lease obligations | (3,403) | (3,598) | (2,873) | (3,330) |
| Proceeds from short-term borrowing from financial institutions | 500,500 | 1,901,686 | 1,071,696 | 1,179,747 |
| Payment for short-term borrowings from financial institutions | (317,058) | (2,035,015) | (1,442,955) | (658,600) |
| Proceeds of borrowings from financial institutions | - | 250,000 | 141,032 | 1,228,570 |
| Payment for long-term borrowings from financial institutions | (661,750) | (409,750) | (179,938) | (124,500) |
| Proceeds of short-term borrowings from related parties | - | 10,000 | - | - |
| Payment for short-term borrowings from related parties | - | (10,000) | - | - |
| Proceeds from issue of warrants | 27,498 | - | - | - |
| Proceeds from sale of treasury shares | - | - | 227,231 | - |
| Net cash from (used in) financing activities | (604,599) | (513,687) | (447,203) | 1,447,799 |
| Net increase (decrease) in cash and cash equivalents | 278,793 | 2,593 | (123,598) | 360,009 |
| Cash and cash equivalents beginning of the year | 334,026 | 331,433 | 455,031 | 95,022 |
| Cash and cash equivalents end of the year | 612,819 | 334,026 | 331,433 | 455,031 |



13.3 Comparison of significant financial ratios

As of December 31, 2015, 2014, 2013, and 2012

| Items | | 2015 | 2014 | 2013 | 2012 |
|---|-----------|--------|--------|--------|-------|
| Liquidity Ratio | | | | | |
| Current Ratio | (Times) | 1.19 | 1.60 | 1.20 | 1.14 |
| Quick Ratio | (Times) | 0.72 | 0.84 | 0.60 | 0.58 |
| Cash flow Ratio | (Times) | 0.79 | 0.19 | 0.26 | 0.32 |
| Receivable Turnover Ratio | (Times) | 33.88 | 34.94 | 33.05 | 33.67 |
| Days to Collect average Accounts receivable | (Days) | 11 | 10 | 11 | 11 |
| Inventory Turnover Ratio | (Times) | 30.44 | 29.56 | 27.92 | 28.17 |
| Days to Collect average Inventory | (Days) | 12 | 12 | 13 | 13 |
| Payable Turnover Ratio | (Times) | 24.46 | 27.76 | 22.65 | 23.75 |
| Days to Repayment | (Days) | 15 | 13 | 16 | 15 |
| Profitability Ratio | | | | | |
| Gross Profit Rate | (Percent) | 5.10 | 3.62 | 3.84 | 3.44 |
| Operating Profit Rate | (Percent) | 0.89 | 1.59 | 1.00 | 6.79 |
| Net Profit Rate/Total income | (Percent) | 0.79 | 1.36 | 0.75 | 6.20 |
| Cash Rate/Profitability | (Percent) | 618.70 | 73.86 | 208.10 | 37.66 |
| Return on Equity Rate | (Percent) | 5.11 | 12.14 | 7.05 | 56.23 |
| Net Profit Rate | (Percent) | 0.81 | 1.40 | 0.77 | 6.68 |
| Efficiency Ratio | | | | | |
| Return on Assets Ratio | (Percent) | 2.93 | 6.09 | 2.95 | 24.86 |
| Return on Fixed Assets Ratio | (Percent) | 12.70 | 22.97 | 15.29 | 61.47 |
| Assets Turnover Ratio | (Times) | 3.71 | 4.48 | 3.92 | 4.01 |
| Financial Ratio | | | | | |
| Debt to Equity Ratio | (Times) | 0.66 | 0.83 | 1.17 | 1.63 |
| Interest Coverage Ratio | (Times) | 18.27 | 3.70 | 5.32 | 7.86 |
| Obligations Coverage Ratio | (Times) | 0.05 | 0.01 | 0.02 | 0.02 |
| Dividend Payout Ratio | (Percent) | 30.19 | 748.05 | 141.98 | 81.29 |
| Data per share | | | | | |
| Book value per share | (Baht) | 2.85 | 2.72 | 2.46 | 2.23 |
| Earning per share | (Baht) | 0.14 | 0.31 | 0.16 | 1.00 |

Note : Par value of Baht 1 per share.

14. Management Discussion and Analysis

In 2015, the Thai economy grew around 2.8 %, increased from 2014, which grew only around 1%, due to the increases in investments in both government and non-government sectors and some growth from export. Tourism, being a core revenue, gradually getting better but still affected from lingering domestic political instability and world economy. In addition, the household debt had also been at very high level due to the government policy to increase household spending to increase economic turnover. For local oil business, in 2015, the total oil consumption was 39,730 million litres, slightly increased by 2,494 million litres from 37,236 million litres in 2014, as a result of the economic improvement.

In 2015, the total sales volume of our Group of Companies increased from last year, probably because of the remarkable drop of oil prices, which increased oil consumption. Moreover, our Group of Companies continuously launched many marketing campaigns from 2014, such as advertisements via many media channels, giving scholarships to schools as one of CSR activities, and invigorating SUSCO brand by renovating many service stations in order to attract more customers. Our Group of Companies also focused on wholesale, export, and aviation fuel. We have been looking for opportunities to have more partnerships with convenience stores, coffee shops, and related retail automotive operators to diversify our sources of income for our service stations. In 2015, the Company had 1.41% of total market share, selling 957 million litres of oil, an increase of 70 million litres or 8% from 887 million litres in 2014.

The total revenue was Baht 19,612 million in 2015, a decrease of Baht 5,610 million or 22% from Baht 25,232 million of 2014 due to the decreased revenues from sales as a result of the drastic drop in oil prices. Moreover, there was a decrease in other income from the profit derived from the sale of investment in one company and adjustments of impairment. Consequently, the Company and its subsidiaries had a total net profit of Baht 155 million, or Baht 0.14 per share, a decrease of Baht 0.17 or 55% from 2014 in which the net profit was Baht 342 million or Baht 0.31 per share. The return on equity ratio was 5.11%, comparing with 12.14% in 2014.

It is believed that 2016 will be another challenging year for the Company due to the sluggish recovery for global economy, and the oil prices in the world tend to be highly volatile throughout the year. The Company has taken measures to deal with various challenges, with the aim to increase efficiency, reduce cost and manage financial risk with conservative approaches such as maintaining debt to equity ratio in low level, stringent credit line to business partners, etc. However, the global oil prices are expected to stay low for the year 2016, which will contribute to higher oil consumption. This will result in an increase in the oil sales of the Group of Companies. According to this, the Company believed that the result from an increase in efficiency, cost reduction, conservative risk management and the overall rise of oil demand will make the Company and its subsidiaries achieving higher revenues and profits from the higher oil sales volume.

Financial Condition

As of December 31, 2015, the Company and its subsidiaries had a total of Baht 1,706 million of current assets and Baht 1,438 million of current liabilities. The non-current assets were Baht 3,454 million, consisting of Baht 2,300 million of land and buildings which were booked at cost, while the current market prices of which were expected to be much higher, with non-current liabilities of only Baht 619 million. Therefore, the Group of Companies still had high liquidity for the existing business operations, as well as for expansion in the future. In 2015, the interest payable decreased as a result of Baht 662 million long-term debt repayment. During the year, the group had spent approximately Baht 199 million to acquire properties and equipment, and to renovate service stations. In addition, in 2015, the Company also paid dividends of Baht 88 million.



As at December 31, 2015, the Group of Companies had high financial stability and ability to repay debt, as shown in significant ratios as follows: the current ratio of 1.19, the receivables turnover ratio of 33.88, the inventory turnover ratio of 30.44, and the debt to equity ratio of only 0.66.

**SUSCO Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2015
and
Independent Auditor's Report



Independent Auditor's Report

To the Shareholders of SUSCO Public Company Limited

I have audited the accompanying consolidated and separate financial statements of SUSCO Public Company Limited and its subsidiaries (the "Group") and of SUSCO Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 9 to the financial statements which describe the effect of the adjustment of investment. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2014 after making the adjustment described in note 9.



(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2016

SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

| | | Consolidated financial statements | | | Separate financial statements | | |
|---------------------------------|------|-----------------------------------|------------------|------------------|-------------------------------|------------------|------------------|
| | | 31 December | 31 December | 1 January | 31 December | 31 December | 1 January |
| Assets | Note | 2015 | 2014 | 2014 | 2015 | 2014 | 2014 |
| | | | (Restated) | (Restated) | | (Restated) | (Restated) |
| <i>(in thousand Baht)</i> | | | | | | | |
| Current assets | | | | | | | |
| Cash and cash equivalents | 6 | 612,819 | 334,026 | 331,433 | 178,186 | 64,788 | 75,640 |
| Trade accounts receivable | 5, 7 | 429,373 | 704,781 | 698,153 | 207,162 | 338,803 | 391,304 |
| Other receivables | 5 | 89,956 | 75,778 | 48,658 | 74,191 | 49,257 | 21,666 |
| Inventories | 8 | 476,863 | 721,118 | 877,040 | 222,457 | 255,676 | 296,025 |
| Other current assets | | 97,325 | 131,283 | 111,997 | 52,236 | 47,994 | 72,748 |
| Total current assets | | 1,706,336 | 1,966,986 | 2,067,281 | 734,232 | 756,518 | 857,383 |
| Non-current assets | | | | | | | |
| Investments in associates | 9 | 35,805 | 44,821 | 43,369 | 38,324 | 40,824 | 40,824 |
| Investments in subsidiaries | 10 | - | - | - | 1,927,217 | 1,927,217 | 1,927,217 |
| Long-term investments | 11 | 373,185 | 318,998 | 500,617 | 117 | 117 | 117 |
| Investment properties | 12 | 992,603 | 1,024,737 | 1,127,181 | 106,766 | 630,674 | 595,364 |
| Property, plant and equipment | 13 | 1,324,820 | 1,252,325 | 1,204,480 | 1,197,844 | 605,562 | 602,896 |
| Intangible assets | 14 | 98,091 | 103,762 | 112,031 | 4,926 | 1,706 | 1,633 |
| Deferred tax assets | 15 | 20,597 | 20,793 | 16,502 | 18,495 | 17,526 | 13,980 |
| Other non-current assets | 16 | 609,471 | 693,263 | 765,680 | 200,347 | 172,820 | 119,208 |
| Total non-current assets | | 3,454,572 | 3,458,699 | 3,769,860 | 3,494,036 | 3,396,446 | 3,301,239 |
| Total assets | | 5,160,908 | 5,425,685 | 5,837,141 | 4,228,268 | 4,152,964 | 4,158,622 |

The accompanying notes are an integral part of these financial statements.



SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

| | | Consolidated financial statements | | | Separate financial statements | | |
|---------------------------------------|-------|-----------------------------------|------------------|------------------|-------------------------------|------------------|------------------|
| | | 31 December | 31 December | 1 January | 31 December | 31 December | 1 January |
| | | 2015 | 2014 | 2014 | 2015 | 2014 | 2014 |
| Liabilities and equity | Note | | (Restated) | (Restated) | | (Restated) | (Restated) |
| <i>(in thousand Baht)</i> | | | | | | | |
| Current liabilities | | | | | | | |
| Bank overdrafts and short-term loans | | | | | | | |
| from financial institutions | 17 | 200,000 | 16,558 | 149,887 | 200,000 | 16,558 | 149,887 |
| Trade accounts payable | 5, 18 | 766,909 | 724,203 | 977,328 | 979,168 | 510,867 | 543,793 |
| Other payables | 19 | 146,144 | 113,294 | 92,727 | 114,175 | 68,552 | 52,125 |
| Current portion of long-term loans | 17 | 295,750 | 342,750 | 267,750 | 295,750 | 342,750 | 267,750 |
| Short-term loans from related parties | 5, 17 | - | - | - | 392,000 | 594,000 | 202,000 |
| Current portion of finance lease | | | | | | | |
| liabilities | 17 | 4,117 | 3,219 | 3,439 | 4,051 | 3,098 | 3,247 |
| Income tax payable | | 2,315 | 547 | 6,227 | 1,538 | - | 4,626 |
| Provisions | | - | - | 191,932 | - | - | - |
| Other current liabilities | | 23,246 | 31,431 | 33,312 | 4,388 | 4,796 | 3,639 |
| Total current liabilities | | 1,438,481 | 1,232,002 | 1,722,602 | 1,991,070 | 1,540,621 | 1,227,067 |
| Non-current liabilities | | | | | | | |
| Long-term loans | 17 | 431,415 | 1,046,165 | 1,280,915 | 431,415 | 1,046,165 | 1,280,915 |
| Finance lease liabilities | 17 | 5,704 | 5,669 | 6,365 | 5,704 | 5,603 | 6,179 |
| Deferred tax liabilities | 15 | 106,512 | 98,306 | 53,516 | - | - | - |
| Employee benefit obligations | 20 | 28,035 | 31,067 | 29,822 | 27,586 | 25,424 | 22,104 |
| Other non-current liabilities | | 47,117 | 51,437 | 58,052 | - | - | - |
| Total non-current liabilities | | 618,783 | 1,232,644 | 1,428,670 | 464,705 | 1,077,192 | 1,309,198 |
| Total liabilities | | 2,057,264 | 2,464,646 | 3,151,272 | 2,455,775 | 2,617,813 | 2,536,265 |

The accompanying notes are an integral part of these financial statements.



SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

| | | Consolidated financial statements | | | Separate financial statements | | |
|---|------|-----------------------------------|-------------------------|-------------------------|-------------------------------|-------------------------|-------------------------|
| | | 31 December | 31 December | 1 January | 31 December | 31 December | 1 January |
| Liabilities and equity | Note | 2015 | 2014 (Restated) | 2014 (Restated) | 2015 | 2014 (Restated) | 2014 (Restated) |
| <i>(in thousand Baht)</i> | | | | | | | |
| Equity | | | | | | | |
| Share capital: | 21 | | | | | | |
| Authorised share capital | | <u>1,375,000</u> | <u>1,375,000</u> | <u>1,375,000</u> | <u>1,375,000</u> | <u>1,375,000</u> | <u>1,375,000</u> |
| Issued and paid-up share capital | | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| Additional paid-in capital: | | | | | | | |
| Premium on ordinary shares | 21 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Surplus on treasury shares | 22 | 204,339 | 204,339 | 204,339 | 204,339 | 204,339 | 204,339 |
| Surplus from decreasing share capital | | | | | | | |
| by writing off treasury shares | | 40,122 | 40,122 | 40,122 | 40,122 | 40,122 | 40,122 |
| Warrants | 23 | 27,498 | - | - | 27,498 | - | - |
| Retained earnings | | | | | | | |
| Appropriated | | | | | | | |
| Legal reserve | 24 | 61,355 | 46,784 | 44,723 | 61,355 | 46,784 | 44,723 |
| Unappropriated | | 1,503,079 | 1,443,643 | 1,201,765 | 293,299 | 98,026 | 187,293 |
| Other components of equity | | <u>122,251</u> | <u>81,151</u> | <u>49,920</u> | <u>880</u> | <u>880</u> | <u>880</u> |
| Equity attributable to owners of the Company | | 3,103,644 | 2,961,039 | 2,685,869 | 1,772,493 | 1,535,151 | 1,622,357 |
| Non-controlling interests | | - | - | - | - | - | - |
| Total equity | | <u>3,103,644</u> | <u>2,961,039</u> | <u>2,685,869</u> | <u>1,772,493</u> | <u>1,535,151</u> | <u>1,622,357</u> |
| Total liabilities and equity | | <u>5,160,908</u> | <u>5,425,685</u> | <u>5,837,141</u> | <u>4,228,268</u> | <u>4,152,964</u> | <u>4,158,622</u> |

The accompanying notes are an integral part of these financial statements.



SUSCO Public Company Limited and its Subsidiaries

Statement of comprehensive income

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | For the year ended | | For the year ended | |
| | | 31 December | | 31 December | |
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | (Restated) | | | |
| | | (in thousand Baht) | | | |
| Income | | | | | |
| Revenue from sale, net | | 19,214,916 | 24,508,053 | 10,658,519 | 12,292,169 |
| Dividend income | | 9,012 | 9,996 | 250,672 | - |
| Other income | 26 | 388,084 | 714,528 | 287,078 | 305,040 |
| Total income | | 19,612,012 | 25,232,577 | 11,196,269 | 12,597,209 |
| Expenses | | | | | |
| Cost of sales of goods | | 18,234,225 | 23,621,504 | 10,083,304 | 11,829,097 |
| Selling expenses | 27 | 714,088 | 694,392 | 414,713 | 349,546 |
| Administrative expenses | 28 | 426,556 | 437,701 | 321,596 | 305,672 |
| Finance costs | 31 | 61,368 | 90,689 | 71,458 | 94,416 |
| Total expenses | | 19,436,237 | 24,844,286 | 10,891,071 | 12,578,731 |
| | | | | | |
| Share of profit (loss) from investment in associates | 9 | (4,544) | 675 | - | - |
| Profit before income tax expense | | 171,231 | 388,966 | 305,198 | 18,478 |
| Income tax expense | 32 | 16,151 | 46,070 | 13,776 | 6,714 |
| Profit for the year | | 155,080 | 342,896 | 291,422 | 11,764 |

The accompanying notes are an integral part of these financial statements.



SUSCO Public Company Limited and its Subsidiaries

Statement of comprehensive income

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|----------------|-------------------------------|---------------|
| | | For the year ended | | For the year ended | |
| | | 31 December | | 31 December | |
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | (Restated) | | | |
| | | (in thousand Baht) | | | |
| Other comprehensive income | | | | | |
| <i>Items that will never be reclassified to profit or loss</i> | | | | | |
| Actuarial gain on employee benefit obligation | | 6,921 | 13 | 6,416 | - |
| | | 6,921 | 13 | 6,416 | - |
| <i>Items that are or may be reclassified to profit or loss</i> | | | | | |
| Foreign currency translation differences for foreign operations | | - | (146) | - | - |
| Share of other comprehensive income (loss) of investments in associates | 9 | (2,250) | 777 | - | - |
| Net change in fair value of available-for-sale investments | | 43,350 | 30,600 | - | - |
| | | 41,100 | 31,231 | - | - |
| Other comprehensive income for the year, net of income tax | | | | | |
| | | 48,021 | 31,244 | 6,416 | - |
| Total comprehensive income for the year | | 203,101 | 374,140 | 297,838 | 11,764 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 155,080 | 342,896 | 291,422 | 11,764 |
| Non-controlling interests | | - | - | - | - |
| Profit for the year | | 155,080 | 342,896 | 291,422 | 11,764 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 203,101 | 374,140 | 297,838 | 11,764 |
| Non-controlling interests | | - | - | - | - |
| Total comprehensive income for the year | | 203,101 | 374,140 | 297,838 | 11,764 |
| Earnings per share (in Baht) | | | | | |
| | 33 | | | | |
| Basic earnings per share | | 0.14 | 0.31 | 0.26 | 0.01 |
| Diluted earnings per share | | 0.14 | 0.31 | 0.26 | 0.01 |

The accompanying notes are an integral part of these financial statements.



SUSCO Public Company Limited and its Subsidiaries

[illegible]

The accompanying notes are an integral part of these financial statements.



SUSCO Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements

| Note | Retained earnings | | | | Other components of equity | | | | | | | Equity attributable to owners of the Company | Non-controlling interests | Total equity | |
|---|----------------------------------|---------------|----------------------------|--|----------------------------|---------------|---|--|-----------------------------------|--|--|--|---------------------------|--------------|----------------------------------|
| | Issued and paid-up share capital | Share premium | Surplus on treasury shares | Surplus from decreasing share capital by writing off treasury shares | Warrants | Legal reserve | Unappropriated surplus <i>(in thousand Baht)</i> | Revaluation available-for-sale investments | Fair value changes in investments | Foreign currency translations differences for foreign operations | Share of other comprehensive income (loss) of investment in associates | | | | Total other components of equity |
| For the year ended 31 December 2015 | | | | | | | | | | | | | | | |
| 9 | 1,100,000 | 45,000 | 204,339 | 40,122 | - | 46,784 | 1,446,099 | 880 | 73,614 | (25) | - | 74,469 | 2,956,813 | - | 2,956,813 |
| | - | - | - | - | - | - | (2,456) | - | - | - | 6,682 | 4,226 | - | - | 4,226 |
| | 1,100,000 | 45,000 | 204,339 | 40,122 | - | 46,784 | 1,443,643 | 880 | 73,614 | (25) | 6,682 | 81,151 | 2,961,039 | - | 2,961,039 |
| Balance at 1 January 2015 - restated | | | | | | | | | | | | | | | |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | | | | | | | | |
| 23 | - | - | - | - | 27,498 | - | - | - | - | - | - | - | 27,498 | - | 27,498 |
| 34 | - | - | - | - | - | - | (87,994) | - | - | - | - | - | (87,994) | - | (87,994) |
| | - | - | - | - | 27,498 | - | (87,994) | - | - | - | - | - | (60,496) | - | (60,496) |
| | - | - | - | - | 27,498 | - | (87,994) | - | - | - | - | - | (60,496) | - | (60,496) |
| Total transactions with owners, recorded directly in equity | | | | | | | | | | | | | | | |
| Comprehensive income for the year | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | 155,080 | - | - | - | - | - | 155,080 | - | 155,080 |
| | - | - | - | - | - | - | 6,921 | - | 43,350 | - | (2,250) | 41,100 | 48,021 | - | 48,021 |
| | - | - | - | - | - | - | 162,001 | - | 43,350 | - | (2,250) | 41,100 | 203,101 | - | 203,101 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | - | - | - | - | - | 14,571 | (14,571) | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 1,100,000 | 45,000 | 204,339 | 40,122 | 27,498 | 61,355 | 1,503,079 | 880 | 116,964 | (25) | 4,432 | 122,251 | 3,103,644 | - | 3,103,644 |
| Balance at 31 December 2015 | | | | | | | | | | | | | | | |

The accompanying notes are an integral part of these financial statements.

SUSCO Public Company Limited and its Subsidiaries

Statement of changes in equity

| | Note | Separate financial statements | | | | | | | | | | | Total equity |
|---|------|----------------------------------|---------------|----------------------------|--|---------------|------------------------|---------------------|--|----------------------------------|--|---------------------------|--------------|
| | | Retained earnings | | Other components of equity | | | | | | | | | |
| | | Issued and paid-up share capital | Share premium | Surplus on treasury shares | Surplus from decreasing share capital by writing off treasury shares | Legal reserve | Unappropriated surplus | Revaluation surplus | Fair value changes in available-for-sale investments | Total other components of equity | Equity attributable to owners of the Company | Non-controlling interests | |
| For the year ended 31 December 2014 | | | | | | | | | | | | | |
| Balance at 1 January 2014 | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | | | | | | |
| Dividends to owners of the Company | | | | | | | | | | | | | |
| Total contributions by and distributions to owners of the Company | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Comprehensive income for the year | | | | | | | | | | | | | |
| Profit | | | | | | | | | | | | | |
| Other comprehensive income | | | | | | | | | | | | | |
| Total comprehensive income for the year | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Transfer to legal reserve | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Balance at 31 December 2014 | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

The accompanying notes are an integral part of these financial statements.

The accompanying notes are an integral part of these financial statements.

SUSCO Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-----------|-------------------------------|---------|
| | For the year ended | | For the year ended | |
| | 31 December | | 31 December | |
| | 2015 | 2014 | 2015 | 2014 |
| | (Restated) | | | |
| | (in thousand Baht) | | | |
| Cash flows from operating activities | | | | |
| Profit for the year | 155,080 | 342,896 | 291,422 | 11,764 |
| <i>Adjustments for</i> | | | | |
| Depreciation | 136,754 | 186,375 | 80,031 | 63,409 |
| Amortisation | 110,962 | 71,828 | 10,470 | 15,732 |
| Bad debt and doubtful debt | 5,935 | 1,295 | 4,444 | 1,230 |
| Provision for employee benefit | 5,805 | 1,615 | 4,294 | 3,607 |
| (Reversal) loss on impairment of assets | (819) | 33,971 | (819) | 15,232 |
| Dividend income | (9,012) | (9,996) | (250,672) | - |
| (Gain) loss on disposal of property, plant and equipment | 1,615 | 1,249 | (9,048) | (1,482) |
| Finance costs | 61,368 | 90,689 | 71,458 | 94,416 |
| Unrealised loss on exchange | 720 | 2,062 | 353 | 2,091 |
| Gain on sale of trading securities | (308) | - | (59) | - |
| Gain on sale of long-term investment | - | (233,883) | - | - |
| Gain on sale of investment in subsidiary | - | (10,252) | - | - |
| Loss from disposal of investment in associate | 29 | - | 307 | - |
| Share of (profit) loss of investment in associates | 4,544 | (675) | - | - |
| (Reversal) allowance for decline in value of inventories | (30,362) | 64,135 | (14,145) | 27,465 |
| Reversal of provision | - | (122,125) | - | - |
| Income tax expense | 16,151 | 46,070 | 13,776 | 6,714 |
| | 458,462 | 465,254 | 201,812 | 240,178 |

The accompanying notes are an integral part of these financial statements.



SUSCO Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-----------|-------------------------------|-----------|
| | For the year ended | | For the year ended | |
| | 31 December | | 31 December | |
| | 2015 | 2014 | 2015 | 2014 |
| | (Restated) | | | |
| | (in thousand Baht) | | | |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | 271,554 | (3,041) | 129,654 | 44,112 |
| Other receivables | (15,870) | (34,523) | (21,757) | (22,981) |
| Inventories | 274,617 | 91,785 | 47,364 | 12,883 |
| Other current assets | 53,501 | (11,684) | (347) | 26,871 |
| Other non-current assets | (21,330) | 37,866 | (23,021) | (7,499) |
| Trade accounts payable | 41,585 | (253,125) | 467,193 | (32,927) |
| Other payables | 31,998 | 35,049 | 41,750 | 16,537 |
| Other current liabilities | (8,185) | (1,946) | (410) | 1,159 |
| Other non-current liabilities | (4,321) | (6,614) | - | - |
| Cash generated from operating activities | 1,082,011 | 319,021 | 842,238 | 278,333 |
| Employee benefit paid | (186) | (354) | (99) | (287) |
| Income tax paid | (22,419) | (31,385) | (14,259) | (21,450) |
| Net cash from operating activities | 1,059,406 | 287,282 | 827,880 | 256,596 |
| <i>Cash flows from investing activities</i> | | | | |
| Sale of current investment | 308 | - | 59 | - |
| Dividend received | 9,012 | 9,996 | 250,672 | - |
| Proceeds from sale of long-term investment | - | 453,752 | - | - |
| Proceeds from sale of investment in subsidiary | - | 12,727 | - | - |
| Proceeds from capital distribution in associate | 2,193 | - | 2,193 | - |
| Purchase of property, plant and equipment | (177,108) | (246,314) | (138,722) | (121,040) |
| Sale of property, plant and equipment | 12,223 | 49,169 | 10,209 | 1,402 |
| Purchase of intangible assets and leasehold rights | (22,642) | (50,332) | (22,642) | (50,324) |
| Net cash from (used in) investing activities | (176,014) | 228,998 | 101,769 | (169,962) |

The accompanying notes are an integral part of these financial statements.



SUSCO Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-------------|-------------------------------|-------------|
| | For the year ended | | For the year ended | |
| | 31 December | | 31 December | |
| | 2015 | 2014 | 2015 | 2014 |
| | (Restated) | | | |
| | (in thousand Baht) | | | |
| Cash flows from financing activities | | | | |
| Interest paid | (62,630) | (118,232) | (72,402) | (94,222) |
| Dividends paid to owners of the Company | (87,756) | (98,778) | (87,756) | (98,778) |
| Finance lease payments | (3,403) | (3,598) | (3,283) | (3,407) |
| Proceeds from short-term loans from financial institutions | 500,500 | 1,901,686 | 500,500 | 1,901,686 |
| Repayment of short-term loans from financial institutions | (317,058) | (2,035,015) | (317,058) | (2,035,015) |
| Proceeds from long-term loans from financial institutions | - | 250,000 | - | 250,000 |
| Repayment of long-term loans from financial institutions | (661,750) | (409,750) | (661,750) | (409,750) |
| Proceeds from short-term loans from related parties | - | 10,000 | 48,000 | 402,000 |
| Repayment of short-term loans from related parties | - | (10,000) | (250,000) | (10,000) |
| Proceeds from issue of warrants | 27,498 | - | 27,498 | - |
| Net cash used in financing activities | (604,599) | (513,687) | (816,251) | (97,486) |
| Net increase (decrease) in cash and cash equivalents | 278,793 | 2,593 | 113,398 | (10,852) |
| Cash and cash equivalents at 1 January | 334,026 | 331,433 | 64,788 | 75,640 |
| Cash and cash equivalents at 31 December | 612,819 | 334,026 | 178,186 | 64,788 |

The accompanying notes are an integral part of these financial statements.



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

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SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 24 February 2016.

1 General information

SUSCO Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 139, Ratburana Road, Bangpakok, Ratburana, Bangkok.

The Company was listed on the Stock Exchange of Thailand in February 1993.

The Company’s major shareholders during the financial year were the Simarojs family (19.65% shareholding).

The principal activities of SUSCO Public Company Limited and its subsidiaries (the “Group”) are to trade fuel products as wholesalers and retailers. The fuel products of the Group are benzene, diesel oil, gasohol, natural gas, liquefied petroleum gas (LPG) and lubricants.

Details of the Company’s subsidiaries and associates as at 31 December 2015 and 2014 are given in notes 5, 9 and 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 37.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items

Available-for-sale financial assets
Net defined benefit liability

Measurement bases

Fair value
Present value of the defined benefit obligation, limited as explained in Note 4 (n)



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

(c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 9 The Group has de jure and de facto control and significant influence over its investee

(ii) Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Notes 15 and 32 Current and deferred taxation

Note 20 Measurement of employee benefit obligations

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 12 – investment property; and
- Note 35 – financial instruments.

3 Change in accounting policy

From 1 January 2015, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has adopted the following new and revised TFRS having an effect only on the disclosures in the Group's financial statements:

- TFRS 13 *Fair Value Measurement*

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Some of these disclosures are specifically required in financial statements; accordingly, the Group has included additional disclosures in note 35.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses change in accounting policy.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred as to as the "Group") and the Group's interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.



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Notes to the financial statements

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

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Notes to the financial statements

(c) Derivatives financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate arising from operational and financing activities in a hedge of the variability in exchange rate and interest rate. Most of derivatives held are forward exchange contracts and interest rate swaps which are not recognised in the financial statements at the contract date.

Forward exchange contracts

Forward exchange contracts are the hedging instrument in a hedge of variability in exchange rates of future foreign currency transactions. The difference between the contractual forward rate and the actual rate at maturity date of the contract is recognised in profit and loss when incurred.

Interest rate swaps

Interest rate swaps are the hedging instrument in a hedge of variability in future interest rate. The difference received or paid from swap contracts is recognised, by adjusting with interest expenses of hedged financial liability, in profit and loss.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances and cash at banks.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

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

Cost is calculated using the first in first out principle, and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in associates and subsidiaries

Investments in associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.



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Notes to the financial statements

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

| | |
|----------------|--------------|
| Building | 20 years |
| Petrol station | 3 – 25 years |
| Oil storage | 25 years |

No depreciation is provided on freehold land or assets under construction.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.



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Notes to the financial statements

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

| | |
|---|--------------|
| Building | 20 years |
| Petrol station | 3 - 25 years |
| Oil storage | 25 years |
| Electricity system | 25 years |
| Dispensing pump, operating equipment and others | 5 years |
| Furniture and fixtures | 5 years |
| Vehicles | 5 years |

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

| | |
|---------------------------------------|---------------|
| Software licenses | 5 years |
| Rights to manage natural gas stations | Contract term |

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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Notes to the financial statements

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.



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Notes to the financial statements

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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Notes to the financial statements

(p) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(q) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(r) Finance costs

Finance costs comprise interest expense on borrowings that are not directly attributable to the acquisition, construction or production of a qualifying assets are recognised in profit or loss using the effective interest method.

(s) Operating leases

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.



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Notes to the financial statements

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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Notes to the financial statements

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

(v) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses, and tax assets and liabilities.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and associates are described in notes 9 and 10 as follows:

| Name of entities | Types of businesses | Nature of relationships | Percentage of shareholding | |
|---------------------------------|--|---|----------------------------|-------|
| | | | 2015 | 2014 |
| (%) | | | | |
| Subsidiaries: | | | | |
| Siam Mongkol Oil Co., Ltd. | Trading of fuel, liquefied petroleum gas and lubricants | Major shareholder and common director | 99.99 | 99.99 |
| SUSCO Retail Co., Ltd. | Trading of fuel and lubricants | Major shareholder and common director | 99.99 | 99.99 |
| Sirijaroenwattana Co., Ltd. | Providing management services and land for rent to natural gas for vehicles stations | Major shareholder and common director | 99.99 | 99.99 |
| SUSCO Dealers Co., Ltd. | Trading of fuel | Major shareholder and common director | 100 | 100 |
| SUSCO Retail Property Co., Ltd. | Leasing out land and service stations | Indirect shareholding through SUSCO Dealers Co., Ltd. and common director | 100 | 100 |



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

| Name of entities | Types of businesses | Nature of relationships | Percentage of shareholding | |
|--|--|--|----------------------------|-------|
| | | | 2015 | 2014 |
| | | | (%) | |
| SUSCO Marketing Co., Ltd. | Trading of fuel and offering the right to use the Trademark license | Indirect shareholding through SUSCO Dealers Co., Ltd. and common director | 100 | 100 |
| SUSCO Property Co., Ltd. | Leasing out land and service stations | Major shareholders, indirect shareholding through SUSCO Dealers Co., Ltd. and common directors | 100 | 100 |
| SUSCO Intertrade Pte., Ltd. | Trading of fuel in foreign country | Major shareholders, and common directors | 100 | 100 |
| Associate : | | | | |
| S NGV Co., Ltd. (dissolution date on 8 December 2015) | Providing management services and land for rent to natural gas for vehicles stations | Shareholder and common directors | - | 49.99 |
| Siam Mongkol Marine Co., Ltd. | Providing marine transportation services | Shareholder and common directors | 18.69 | 18.69 |
| Siam Thananya Marine Co., Ltd. | Providing marine transportation services | Indirect shareholding through Siam Mongkol Marine Co., Ltd. | 18.69 | 18.69 |
| Related parties : | | | | |
| Siam Truck Service Co., Ltd. | Providing land transportation services | Common directors | - | - |
| Sam-D Farm Co., Ltd. | Shrimp aquaculture | Common directors | - | - |

All related parties were incorporated in Thailand except SUSCO Intertrade Pte., Ltd. which was incorporated in Singapore.

The pricing policies for particular types of transactions are explained further below:

Transactions

Sales of goods
Purchase of goods
Interest income
Rental income
Management income
Other income and other expense
Interest expense

Pricing policies

Market price
Market price
MOR+1%
Contractually agreed price
Contractually agreed price
Contractually agreed price
Contractually agreed rate

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Notes to the financial statements

Significant transactions for the years ended 31 December with related parties were as follows:

| <i>Year ended 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|---|--|--------------------|
| | 2015 | 2014 (Restated) <i>(in thousand Baht)</i> | 2015 | 2014 (Restated) |
| Subsidiaries | | | | |
| Sales of goods | - | - | 268,797 | 360,342 |
| Purchases of goods | - | - | 2,219,258 | 1,427,523 |
| Rental income | - | - | 52,975 | 49,406 |
| Management income | - | - | 42,703 | 25,864 |
| Dividend income | - | - | 250,672 | - |
| Other income | - | - | 6,728 | 33,382 |
| Other expense | - | - | 46,670 | 33,632 |
| Interest expense | - | - | 15,149 | 9,345 |
| Associates | | | | |
| Sales of goods | 468 | 1,556 | 160 | - |
| Other income | 1,603 | 1,691 | 1,603 | 1,691 |
| Other expense | 43,553 | 41,216 | 43,553 | 41,216 |
| Related parties | | | | |
| Other income | 2,123 | 1,406 | 2,123 | 1,406 |
| Other expense | 16,538 | 7,223 | 6,975 | 6,719 |
| Interest expense | - | 176 | - | 176 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term benefit | 32,964 | 33,503 | 32,964 | 33,503 |
| Post-employment benefits and other long-term benefits | 3,191 | 3,175 | 3,119 | 3,113 |
| Total | 36,155 | 36,678 | 36,083 | 36,616 |

Balances as at 31 December with related parties were as follows:

Trade accounts receivable - related parties

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|----------------------------|--|--------------|
| | 2015 | 2014 (in thousand Baht) | 2015 | 2014 |
| Subsidiaries | - | - | 2,398 | 6,586 |
| Related parties | - | 124 | - | 124 |
| Total | - | 124 | 2,398 | 6,710 |
| Less allowance for doubtful accounts | - | - | - | - |
| Net | - | 124 | 2,398 | 6,710 |



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Other receivable - related parties

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|------------|----------------------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | (in thousand Baht) | | | |
| Subsidiaries | - | - | 16,620 | 11,950 |
| Associate | 25 | - | 25 | - |
| Related parties | 422 | 867 | 422 | 867 |
| Total | 447 | 867 | 17,067 | 12,817 |
| Less allowance for doubtful accounts | - | - | - | - |
| Net | 447 | 867 | 17,067 | 12,817 |

Trade accounts payable - related parties

| | Consolidated financial statements | | Separate financial statements | |
|-----------------|--------------------------------------|---------------|----------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | (in thousand Baht) | | | |
| Subsidiaries | - | - | 635,532 | 237,711 |
| Associate | 1,497 | - | 1,497 | - |
| Related parties | 11,612 | 13,487 | 11,496 | 13,316 |
| Total | 13,109 | 13,487 | 648,525 | 251,027 |

Loans from related parties

| | Interest Rate | | Consolidated financial statements | | Separate financial statements | |
|---|---------------|----------|--------------------------------------|----------|----------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | (% per annum) | | (in thousand Baht) | | | |
| Short-term loans | | | | | | |
| | 2.00 and | 2.00 and | | | | |
| | 2.75 | 3.75 | | | | |
| Subsidiaries | | | - | - | 392,000 | 594,000 |
| Short-term loans from related parties, net | | | - | - | 392,000 | 594,000 |

Movements during the years ended 31 December of loans from related parties were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------|--------------------------------------|----------|----------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | (in thousand Baht) | | | |
| Short-term loans | | | | |
| Subsidiaries | | | | |
| At 1 January | - | - | 594,000 | 202,000 |
| Increase | - | 10,000 | 48,000 | 402,000 |
| Decrease | - | (10,000) | (250,000) | (10,000) |
| At 31 December | - | - | 392,000 | 594,000 |

The Company entered into short-term loan agreement with Sirijaroenwattana Co., Ltd., which is a subsidiary of the Company, amounting to Baht 37 million with interest rate at 2% per annum and due on demand.

The Company entered into short-term loan agreement with SUSCO Dealers Co., Ltd., which is a subsidiary of the Company, amounting to Baht 250 million with interest rate at 2.75% per annum and due on demand.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

The Company entered into short-term loan agreement with SUSCO Retail Property Co., Ltd., which is a subsidiary of the Company, amounting to Baht 75 million with interest rate at 2.75% per annum and due on demand.

The Company entered into short-term loan agreement with SUSCO Property Co., Ltd., which is a subsidiary of the Company, amounting to Baht 30 million with interest rate at 2.75% per annum and due on demand.

Significant agreements with related parties

Transportation management agreement

The Company entered into transportation management agreement with Siam Truck Service Co., Ltd. for the period of 1 year commencing from 1 February 2015. The agreement can be renewable provided that both parties agree the conditions and further details of re-agreement.

Management service agreements

The Company has management service agreements with the subsidiaries for the period of 1 year commencing from 1 May 2015 and 1 October 2015, and whereby the Company provides advice with regard to the management and administration of the organization. The agreement can be renewable provided that both parties agree the conditions and further details of re-agreement.

Rental agreements

The Company has sublease agreements for land and buildings with Siam Mongkol Oil Co., Ltd. The sublease agreement had a term and condition as agreed in the agreement.

6 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|--|--------------------|--|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | | | | |
| | | (in thousand Baht) | | |
| Cash on hand | 25,202 | 27,457 | 24,434 | 14,552 |
| Cash at banks – current accounts | 37,742 | 2,866 | 36,988 | 9,955 |
| Cash at banks – savings accounts | 549,875 | 303,703 | 116,764 | 40,281 |
| Total | 612,819 | 334,026 | 178,186 | 64,788 |

Cash and cash equivalents of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

7 Trade accounts receivable

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|--------------------------------------|----------------|----------------------------------|----------------|
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 5 | - | 124 | 2,398 | 6,710 |
| Other parties | | 443,436 | 719,501 | 212,788 | 338,483 |
| Total | | 443,436 | 719,625 | 215,186 | 345,193 |
| Less allowance for doubtful accounts | | (14,063) | (14,844) | (8,024) | (6,390) |
| Net | | 429,373 | 704,781 | 207,162 | 338,803 |
| | | | | | |
| Bad and doubtful debts expense for the year | | 5,935 | 1,295 | 4,444 | 1,230 |

Aging analysis for trade accounts receivable were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|----------------|----------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Related parties | | | | |
| Within credit terms | - | 124 | 2,392 | 6,618 |
| Overdue: | | | | |
| Less than 3 months | - | - | - | 92 |
| 3-6 months | - | - | 6 | - |
| 6-12 months | - | - | - | - |
| Over 12 months | - | - | - | - |
| Total | - | 124 | 2,398 | 6,710 |
| Less allowance for doubtful accounts | - | - | - | - |
| | - | 124 | 2,398 | 6,710 |
| | | | | |
| Other parties | | | | |
| Within credit terms | 294,148 | 431,319 | 110,016 | 163,732 |
| Overdue: | | | | |
| Less than 3 months | 132,081 | 266,575 | 92,066 | 162,018 |
| 3-6 months | 2,967 | 6,701 | 2,682 | 6,062 |
| 6-12 months | 2,580 | 1,320 | 2,308 | 988 |
| Over 12 months | 11,660 | 13,586 | 5,716 | 5,683 |
| Total | 443,436 | 719,501 | 212,788 | 338,483 |
| Less allowance for doubtful accounts | (14,063) | (14,844) | (8,024) | (6,390) |
| | 429,373 | 704,657 | 204,764 | 332,093 |
| Net | 429,373 | 704,781 | 207,162 | 338,803 |

The credit terms granted by the Group is 7 - 60 days, depending on the situation.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

The currency denomination of trade accounts receivable as at 31 December was as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--|----------------|--|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Thai Baht (THB) | 272,234 | 420,981 | 133,757 | 229,475 |
| United States Dollars (USD) | 157,139 | 283,800 | 73,405 | 109,328 |
| Total | 429,373 | 704,781 | 207,162 | 338,803 |

8 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|---|--|-------------------|--|-------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Finished goods - oil | 510,636 | 785,253 | 235,777 | 283,141 |
| Less allowance for lower net realisable value of inventories | (33,773) | (64,135) | (13,320) | (27,465) |
| Net | 476,863 | 721,118 | 222,457 | 255,676 |
| Inventories recognised as an expense in 'cost of sales of goods': | | | | |
| - Cost | 18,264,587 | 23,557,369 | 10,097,449 | 11,801,632 |
| - Write-down to net realisable value | 6,343 | 64,135 | 189 | 27,465 |
| - Reversal of write-down | (36,705) | - | (14,334) | - |
| Net | 18,234,225 | 23,621,504 | 10,083,304 | 11,829,097 |

As at 31 December 2015, inventories of the Group included the oil reserve, as required by law, which had been deposited at oil companies, totaling Baht 127 million (2014: Baht 125 million). In addition, the Group had entered into contracts with another oil company to provide and store the reserve oil for the Group. Under the said contracts, the Group pays service fees as stated in the contracts.

9 Investments in associates

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | | (Restated) | | (Restated) |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 44,821 | 43,369 | 40,824 | 40,824 |
| Share of profit (loss) from investment in associates | (4,544) | 675 | - | - |
| Share of other comprehensive income (loss) from investment in associates | (2,250) | 777 | - | - |
| Disposal | (2,222) | - | (2,500) | - |
| At 31 December | 35,805 | 44,821 | 38,324 | 40,824 |

Investment in S NGV Co., Ltd.

At the Extraordinary Meeting of the Shareholders of S NGV Co., Ltd. held on 19 November 2015, the shareholders approved the dissolution of the Company. The Company registered the dissolution with the Ministry of Commerce on 19 November 2015 and registered the liquidation on 8 December 2015.



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Investments in associates as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended, were as follows:

Consolidated financial statements

| | Ownership interest | | Paid-up capital | | Cost Method | | Equity Method | | Impairment | | Equity Method - Net | | Dividend income | |
|-------------------------------|--------------------|--------------------|-----------------|--------------------|---------------|--------------------|---------------|--------------------|-----------------|--------------------|---------------------|--------------------|-----------------|----------|
| | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 |
| Associates | | | | | | | | | | | | | | |
| S NGV Co., Ltd. | - | 49.99 | - | 5,000 | - | 2,271 | - | - | - | - | 2,271 | - | - | - |
| Siam Mongkol Marine Co., Ltd. | 18.69 | | 130,000 | 130,000 | 53,771 | 53,771 | 51,252 | 57,997 | (15,447) | (15,447) | 35,805 | 42,550 | - | - |
| Total | | | 53,771 | 56,271 | 53,771 | 56,271 | 51,252 | 60,268 | (15,447) | (15,447) | 35,805 | 44,821 | - | - |

(in thousand Baht)

Separate financial statements

| | Ownership interest | | Paid-up capital | | Cost Method | | Impairment | | At cost - net | | Dividend income | |
|-------------------------------|--------------------|--------------------|-----------------|--------------------|---------------|--------------------|-----------------|--------------------|---------------|--------------------|-----------------|----------|
| | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 |
| Associates | | | | | | | | | | | | |
| S NGV Co., Ltd. | - | 49.99 | - | 5,000 | - | 2,500 | - | - | - | 2,500 | - | - |
| Siam Mongkol Marine Co., Ltd. | 18.69 | | 130,000 | 130,000 | 53,771 | 53,771 | (15,447) | (15,447) | 38,324 | 38,324 | - | - |
| Total | | | 53,771 | 56,271 | 53,771 | 56,271 | (15,447) | (15,447) | 38,324 | 40,824 | - | - |

(in thousand Baht)

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Associate

The following table summarises the financial information of the associate. The table reconciles the summarized financial information to the carrying amount of the Group's interest in this company.

| | Siam Mongkol Marine Co., Ltd. | |
|---|-------------------------------|----------------|
| | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | |
| Revenue | 271,967 | 316,346 |
| Profit (loss) for the year | (24,049) | 3,751 |
| Other comprehensive income (loss) | (12,040) | 4,157 |
| Total comprehensive income (loss) | (36,089) | 7,908 |
| Attributable to NCI | - | - |
| Attributable to investee's shareholders | (29,344) | 6,430 |
| Current assets | 53,151 | 47,033 |
| Non-current assets | 313,507 | 406,596 |
| Current liabilities | (82,210) | (109,636) |
| Non-current liabilities | (92,875) | (116,331) |
| Net assets | 191,573 | 227,662 |
| Attributable to NCI | - | - |
| Attributable to investee's shareholders | 155,768 | 185,112 |
| Group's interest in net assets of investee at 1 January | 42,550 | 41,072 |
| Total comprehensive income attributable to the Group | (6,745) | 1,478 |
| Carrying amount of interest in investee at 31 December | 35,805 | 42,550 |

Immaterial associate

The following is summarized financial information for the Group's interest in immaterial associate based on the amounts reported in the Group's consolidated financial statements:

| | 2015 | 2014 |
|---|---------------------------|-------------|
| | <i>(in thousand Baht)</i> | |
| Carrying amount of interests in immaterial associates | - | 2,271 |
| Group's share of: | | |
| - Loss for the year | (49) | (26) |
| - Other comprehensive income | - | - |
| - Total comprehensive income (loss) | (49) | (26) |

During the year ended 31 December 2015, the management has reconsidered de jure and de facto control and influence of the Company over its investees through its shareholding and directorship. Consequently, the Company has adjusted the investment in Siam Mongkol Marine Co., Ltd. which was previously recognised as other long-term investment using cost method to be recognised as investment in associate using equity method.



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

The effects on the financial statements are as follows;

| | Consolidated financial statements | | | Separate financial statements | | |
|--|--------------------------------------|--------------|--------------|----------------------------------|----------|----------|
| | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | | | |
| Statement of financial position | | | | | | |
| Increase in investments in associates | 35,805 | 42,550 | 41,072 | 38,324 | 38,324 | 38,324 |
| Decrease in long-term investments | (38,324) | (38,324) | (38,324) | (38,324) | (38,324) | (38,324) |
| Increase (decrease) in total assets | (2,519) | 4,226 | 2,748 | - | - | - |
| Decrease in retained earnings | (6,951) | (2,456) | (3,157) | - | - | - |
| Increase in other comprehensive income | 4,432 | 6,682 | 5,905 | - | - | - |
| Increase (decrease) in equity | (2,519) | 4,226 | 2,748 | - | - | - |

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|--------------|----------------------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Increase (decrease) in share of profit (loss) from investment in associates | (4,495) | 701 | - | - |
| Increase (decrease) in profit for the year | (4,495) | 701 | - | - |
| Increase (decrease) in share of other comprehensive income (loss) of investment in associates | (2,250) | 777 | - | - |
| Increase (decrease) in other comprehensive income for the year | (2,250) | 777 | - | - |
| Increase (decrease) in total comprehensive income for the year | (6,745) | 1,478 | - | - |

(in Baht)

| | | | | |
|---|----------|--------|---|---|
| Earnings per share | | | | |
| - Increase (decrease) in basic earnings per share | (0.0041) | 0.0006 | - | - |
| - Increase (decrease) in diluted earnings per share | (0.0041) | 0.0006 | - | - |

10 Investments in subsidiaries

| | Separate financial statements | |
|-----------------------|----------------------------------|------------------|
| | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | |
| At 1 January | 1,927,217 | 1,927,217 |
| Acquisitions | - | - |
| At 31 December | 1,927,217 | 1,927,217 |

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income from those investments for each year ended were as follows:

| Separate financial statements | | | | | | | | | |
|-------------------------------|--------------------|--------|-----------------|-----------|------------------|------------------|------------------|------------------|-----------------|
| | Ownership interest | | Paid-up capital | | Cost method | | At cost - net | | Dividend income |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | |
| | (in thousand Baht) | | | | | | | | |
| <i>Direct subsidiaries</i> | | | | | | | | | |
| Siam Mongkol Oil Co., Ltd. | 99.99 | 99.99 | 48,000 | 48,000 | 47,999 | 47,999 | 47,999 | 47,999 | - |
| SUSCO Retail Co., Ltd. | 99.99 | 99.99 | 12,000 | 12,000 | 4,948 | 4,948 | 4,948 | 4,948 | - |
| Sirijaroenwattana Co., Ltd. | 99.99 | 99.99 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | - |
| SUSCO Dealers Co., Ltd. | 100.00 | 100.00 | 2,364,833 | 2,364,833 | 1,754,270 | 1,754,270 | 1,754,270 | 1,754,270 | 250,672 |
| SUSCO Intertrade Pte., Ltd. | 100.00 | 100.00 | - | - | - | - | - | - | - |
| Total | | | | | 1,927,217 | 1,927,217 | 1,927,217 | 1,927,217 | 250,672 |
| | | | | | | | | | - |

All subsidiaries were incorporated in Thailand except SUSCO Intertrade Pte., Ltd., which has its authorized share capital at 1 Singapore Dollar or Baht 25.41, was incorporated in Singapore.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

11 Long-term investments

Movements during the year ended 31 December were as follows:

| <i>Year ended 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---|--|------------|
| | 2015 | 2014 (Restated) <i>(in thousand Baht)</i> | 2015 | 2014 |
| <i>Available-for-sale securities</i> | | | | |
| At 1 January | 318,750 | 280,500 | - | - |
| Stock dividend adjustment | 70,762 | - | - | - |
| Valuation adjustment | (16,575) | 38,250 | - | - |
| At 31 December | 372,937 | 318,750 | - | - |
| <i>Other long-term investments</i> | | | | |
| At 1 January | 248 | 220,117 | 117 | 117 |
| Disposals | - | (219,869) | - | - |
| At 31 December | 248 | 248 | 117 | 117 |
| Total | 373,185 | 318,998 | 117 | 117 |

Other investments of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements

12 Investment properties

| | Note | Consolidated financial statements | | | Separate financial statements | | |
|---|------|-----------------------------------|--|-----------------------------|-------------------------------|--|------------------|
| | | Land | Building, petrol station and oil storage | Total (in thousand Baht) | Land | Building, petrol station and oil storage | Total |
| Cost | | | | | | | |
| At 1 January 2014 | | 604,132 | 2,352,950 | 2,957,082 | 409,760 | 485,752 | 895,512 |
| Additions | | - | 51,886 | 51,886 | 22,365 | 11,774 | 34,139 |
| Reclassification | 13 | - | - | - | 27,015 | 60,059 | 87,074 |
| Disposals | | - | (392,782) | (392,782) | - | - | - |
| At 31 December 2014 and 1 January 2015 | | 604,132 | 2,012,054 | 2,616,186 | 459,140 | 557,585 | 1,016,725 |
| Additions | | - | 27,167 | 27,167 | - | 158 | 158 |
| Reclassification | 13 | - | - | - | (458,227) | (378,534) | (836,761) |
| Disposals | | - | (220,811) | (220,811) | (913) | (352) | (1,265) |
| At 31 December 2015 | | 604,132 | 1,818,410 | 2,422,542 | - | 178,857 | 178,857 |
| Depreciation and impairment losses | | | | | | | |
| At 1 January 2014 | | 71,260 | 1,758,641 | 1,829,901 | - | 300,148 | 300,148 |
| Depreciation charge for the year | | - | 77,901 | 77,901 | - | 19,849 | 19,849 |
| Impairment losses | | - | 24,367 | 24,367 | 2,584 | 2,290 | 4,874 |
| Reversal of impairment losses | | (5,985) | - | (5,985) | - | (2,051) | (2,051) |
| Reclassification | | - | - | - | 9,073 | 54,158 | 63,231 |
| Disposals | | - | (334,735) | (334,735) | - | - | - |
| At 31 December 2014 and 1 January 2015 | | 65,275 | 1,526,174 | 1,591,449 | 11,657 | 374,394 | 386,051 |
| Depreciation charge for the year | | - | 53,425 | 53,425 | - | 23,132 | 23,132 |
| Reversal of impairment losses | | - | - | - | - | (819) | (819) |
| Reclassification | | - | - | - | (11,657) | (324,264) | (335,921) |
| Disposals | | - | (214,935) | (214,935) | - | (352) | (352) |
| At 31 December 2015 | | 65,275 | 1,364,664 | 1,429,939 | - | 72,091 | 72,091 |

| | Consolidated financial statements | | | Separate financial statements | | |
|---|-----------------------------------|--|-----------------------------|-------------------------------|--|---------|
| | Land | Building, petrol station and oil storage | Total (in thousand Baht) | Land | Building, petrol station and oil storage | Total |
| At 1 January 2014 | 532,872 | 594,309 | 1,127,181 | 409,760 | 185,604 | 595,364 |
| At 31 December 2014 and 1 January 2015 | 538,857 | 485,880 | 1,024,737 | 447,483 | 183,191 | 630,674 |
| At 31 December 2015 | 538,857 | 453,746 | 992,603 | - | 106,766 | 106,766 |

Investment properties as at 31 December 2015 were evaluated by independent professional valuers, considered from market values on an existing use basis. The appraisal was only for land and stations. The appraised value was Baht 1,044 million. (2014: Baht 1,044 million)

Security

At 31 December 2015, the Company had no property pledged to secure bank loans (see notes 17). (2014: Baht 422 million)

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on a regular basis.

The fair value measurement for investment property of Baht 1,044 million was the fair value of land for Baht 780 million which has been categorised as a Level 2 fair value based on the market value inputs to the valuation techniques used and the fair value of building, petrol station and oil storage for Baht 264 million based on Depreciated Replacement Value which has been categorised as a Level 3 fair value.

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements

13 Property, plant and equipment

| | Consolidated financial statements | | | | | |
|---|--|-----------------------------|---|-----------------------|---------------|--|
| | <i>(in thousand Baht)</i> | | | | | |
| | Land | Building and petrol station | Oil storage, dispensing pump, operating equipment, electricity system, and others | Furniture and fixture | Vehicles | Assets under construction and installation |
| Cost | | | | | | Total |
| At 1 January 2014 | 806,240 | 807,346 | 517,752 | 34,354 | 47,743 | 2,233,537 |
| Additions | 35,338 | 28,182 | 82,311 | 6,631 | 4,219 | 192,423 |
| Reclassification | (12,972) | - | - | - | - | (12,972) |
| Transfers | - | 46,932 | 1,948 | 5,264 | - | (54,144) |
| Disposals | (62) | (13,499) | (6,062) | (1,000) | (2,966) | (23,592) |
| At 31 December 2014 and 1 January 2015 | 828,544 | 868,961 | 595,949 | 45,249 | 48,996 | 2,389,396 |
| Additions | 43,679 | 51,330 | 28,933 | 11,411 | 6,933 | 156,166 |
| Transfers | - | 14,005 | - | - | - | (14,005) |
| Disposals | (1,138) | (702) | (4,820) | (2,972) | (4,236) | (13,868) |
| At 31 December 2015 | 871,085 | 933,594 | 620,062 | 53,688 | 51,693 | 2,531,694 |

Consolidated financial statements

| | Land | Building and petrol station | Oil storage, dispensing pump, operating equipment, electricity system, and others (in thousand Baht) | Furniture and fixture | Vehicles | Assets under construction and installation | Total |
|---|---------------|-----------------------------|---|-----------------------|---------------|--|------------------|
| Depreciation and impairment losses | | | | | | | |
| At 1 January 2014 | 9,831 | 585,827 | 368,765 | 31,535 | 33,099 | - | 1,029,057 |
| Depreciation charge for the year | 10,786 | 34,094 | 60,917 | 1,972 | 4,726 | - | 112,495 |
| Impairment losses | 27,666 | 11,041 | - | - | - | - | 38,707 |
| Reversal of impairment losses | (10,460) | (8,589) | - | - | - | - | (19,049) |
| Reclassification | (10,157) | - | - | - | - | - | (10,157) |
| Disposals | - | (6,500) | (3,939) | (995) | (2,548) | - | (13,982) |
| At 31 December 2014 and 1 January 2015 | 27,666 | 615,873 | 425,743 | 32,512 | 35,277 | - | 1,137,071 |
| Depreciation charge for the year | - | 46,111 | 27,418 | 4,390 | 5,410 | - | 83,329 |
| Reversal of impairment losses | - | - | (819) | - | - | - | (819) |
| Disposals | - | (702) | (4,806) | (2,963) | (4,236) | - | (12,707) |
| At 31 December 2015 | 27,666 | 661,282 | 447,536 | 33,939 | 36,451 | - | 1,206,874 |

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Consolidated financial statements

| | Land | Building and petrol station | Oil storage, dispensing pump, operating equipment, electricity system, and others | Furniture and fixture (in thousand Baht) | Vehicles | Assets under construction and installation | Total |
|---|----------------|-----------------------------|---|---|---------------|--|------------------|
| Net book value | | | | | | | |
| At 1 January 2014 | | | | | | | |
| Owned assets | 796,409 | 221,519 | 148,987 | 2,819 | 788 | 20,102 | 1,190,624 |
| Assets under finance leases | - | - | - | - | 13,856 | - | 13,856 |
| | 796,409 | 221,519 | 148,987 | 2,819 | 14,644 | 20,102 | 1,204,480 |
| At 31 December 2014 and 1 January 2015 | | | | | | | |
| Owned assets | 800,878 | 253,088 | 170,206 | 12,737 | 1,428 | 1,697 | 1,240,034 |
| Assets under finance leases | - | - | - | - | 12,291 | - | 12,291 |
| | 800,878 | 253,088 | 170,206 | 12,737 | 13,719 | 1,697 | 1,252,325 |
| At 31 December 2015 | | | | | | | |
| Owned assets | 843,419 | 272,312 | 172,526 | 19,749 | 676 | 1,572 | 1,310,254 |
| Assets under finance leases | - | - | - | - | 14,566 | - | 14,566 |
| | 843,419 | 272,312 | 172,526 | 19,749 | 15,242 | 1,572 | 1,324,820 |

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2015 amounted to Baht 500 million (2014: Baht 444 million).

Security

At 31 December 2015, the Company's properties with a net book value of Baht 761 million (2014: Baht 340 million) were pledged to secure bank loans (see notes 17 and 36).

SUSCO Public Company Limited and its Subsidiaries **Notes to the financial statements**

Separate financial statements

| | Land | Building and petrol station | Oil storage, dispensing pump, operating equipment, electricity system, and others | Furniture and fixture | Vehicles | Assets under construction and installation | Total |
|---|----------------|-----------------------------|---|-----------------------|---------------|--|---------------------------|
| | | | | | | | <i>(in thousand Baht)</i> |
| Cost | | | | | | | |
| At 1 January 2014 | 398,775 | 525,780 | 347,313 | 30,208 | 45,798 | 20,102 | 1,367,976 |
| Additions | - | 16,918 | 31,081 | 6,513 | 4,219 | 35,742 | 94,473 |
| Reclassification | (39,987) | (57,252) | (2,661) | (145) | - | - | (100,045) |
| Transfers | - | 46,932 | 1,948 | 5,264 | - | (54,144) | - |
| Disposals | (62) | (13,486) | (6,062) | (998) | (1,771) | (3) | (22,382) |
| At 31 December 2014 and 1 January 2015 | 358,726 | 518,892 | 371,619 | 40,842 | 48,246 | 1,697 | 1,340,022 |
| Additions | 43,679 | 49,410 | 24,191 | 10,526 | 6,904 | 13,880 | 148,590 |
| Reclassification | 458,227 | 307,167 | 67,540 | 3,802 | 25 | - | 836,761 |
| Transfers | - | 14,005 | - | - | - | (14,005) | - |
| Disposals | (225) | (702) | (4,468) | (2,972) | (4,236) | - | (12,603) |
| At 31 December 2015 | 860,407 | 888,772 | 458,882 | 52,198 | 50,939 | 1,572 | 2,312,770 |

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

| Separate financial statements | | | | | | | |
|--|---------------|-----------------------------|---|--|---------------|--|------------------|
| | Land | Building and petrol station | Oil storage, dispensing pump, operating equipment, electricity system, and others | Furniture and fixture <i>(in thousand Baht)</i> | Vehicles | Assets under construction and installation | Total |
| <i>Depreciation and impairment losses</i> | | | | | | | |
| At 1 January 2014 | 9,831 | 397,351 | 298,448 | 27,730 | 31,720 | - | 765,080 |
| Depreciation charge for the year | | | | | | | |
| Impairment losses | 10,786 | 8,960 | 12,864 | 1,802 | 4,726 | - | 39,138 |
| Reversal of impairment losses | 19,152 | 6,566 | - | - | - | - | 25,718 |
| Reclassification | (23,466) | (47,280) | (2,564) | (78) | - | - | (73,388) |
| Disposals | - | (6,500) | (3,939) | (995) | (1,771) | - | (13,205) |
| At 31 December 2014 and 1 January 2015 | 16,009 | 350,508 | 304,809 | 28,459 | 34,675 | - | 734,460 |
| Depreciation charge for the year | - | 30,861 | 16,739 | 4,094 | 5,205 | - | 56,899 |
| Reclassification | 11,657 | 256,897 | 63,639 | 3,703 | 25 | - | 335,921 |
| Disposals | - | (702) | (4,453) | (2,963) | (4,236) | - | (12,354) |
| At 31 December 2015 | 27,666 | 637,564 | 380,734 | 33,293 | 35,669 | - | 1,114,926 |



SUSCO Public Company Limited and its Subsidiaries **Notes to the financial statements**

| Separate financial statements | | | | | | | |
|---|----------------|-----------------------------|---|---|---------------|--|------------------|
| | Land | Building and petrol station | Oil storage, dispensing pump, operating equipment, electricity system, and others | Furniture and fixture (in thousand Baht) | Vehicles | Assets under construction and installation | Total |
| <i>Net book value</i> | | | | | | | |
| At 1 January 2014 | | | | | | | |
| Owned assets | 388,944 | 128,429 | 48,865 | 2,478 | 788 | 20,102 | 589,606 |
| Assets under finance leases | - | - | - | - | 13,290 | - | 13,290 |
| | 388,944 | 128,429 | 48,865 | 2,478 | 14,078 | 20,102 | 602,896 |
| At 31 December 2014 and 1 January 2015 | | | | | | | |
| Owned assets | 342,717 | 168,384 | 66,810 | 12,383 | 1,647 | 1,697 | 593,638 |
| Assets under finance leases | - | - | - | - | 11,924 | - | 11,924 |
| | 342,717 | 168,384 | 66,810 | 12,383 | 13,571 | 1,697 | 605,562 |
| At 31 December 2015 | | | | | | | |
| Owned assets | 832,741 | 251,208 | 78,148 | 18,905 | 725 | 1,572 | 1,183,299 |
| Assets under finance leases | - | - | - | - | 14,545 | - | 14,545 |
| | 832,741 | 251,208 | 78,148 | 18,905 | 15,270 | 1,572 | 1,197,844 |

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2015 amounted to Baht 499 million (2014: Baht 443 million).

Security

At 31 December 2015, the Company's properties with a net book value of Baht 761 million (2014: Baht 340 million) were pledged to secure bank loans (see notes 17 and 36).

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements

14 Intangible assets

| | Consolidated financial statements | | | Separate financial statements | | |
|---|-----------------------------------|---------------------------------------|----------------|-------------------------------|---------------------------------------|---------------|
| | Software licenses | Rights to manage natural gas stations | Total | Software licenses | Rights to manage natural gas stations | Total |
| | <i>(in thousand Baht)</i> | | | | | |
| Cost | | | | | | |
| At 1 January 2014 | 86,367 | 120,000 | 206,367 | 13,083 | - | 13,083 |
| Additions | 1,730 | - | 1,730 | 1,146 | - | 1,146 |
| Disposals | (2,696) | - | (2,696) | - | - | - |
| At 31 December 2014 and 1 January 2015 | 85,401 | 120,000 | 205,401 | 14,229 | - | 14,229 |
| Additions | 4,642 | - | 4,642 | 4,642 | - | 4,642 |
| Disposals | (1,618) | - | (1,618) | - | - | - |
| At 31 December 2015 | 88,425 | 120,000 | 208,425 | 18,871 | - | 18,871 |
| Amortisation | | | | | | |
| At 1 January 2014 | 76,476 | 17,860 | 94,336 | 11,450 | - | 11,450 |
| Amortisation charge for the year | 3,282 | 6,697 | 9,979 | 1,073 | - | 1,073 |
| Disposals | (2,676) | - | (2,676) | - | - | - |
| At 31 December 2014 and 1 January 2015 | 77,082 | 24,557 | 101,639 | 12,523 | - | 12,523 |
| Amortisation charge for the year | 3,616 | 6,697 | 10,313 | 1,422 | - | 1,422 |
| Disposals | (1,618) | - | (1,618) | - | - | - |
| At 31 December 2015 | 79,080 | 31,254 | 110,334 | 13,945 | - | 13,945 |

| | Consolidated financial statements | | Separate financial statements | | |
|--|-----------------------------------|---------------------------------------|-------------------------------|-------------------|--|
| | Software licenses | Rights to manage natural gas stations | Total (in thousand Baht) | Software licenses | Rights to manage natural gas stations Total |
| <i>Net book value</i> | | | | | |
| At 1 January 2014 | 9,891 | 102,140 | 112,031 | 1,633 | - |
| At 31 December 2014 and 1 January 2015 | 8,319 | 95,443 | 103,762 | 1,706 | - |
| At 31 December 2015 | 9,345 | 88,746 | 98,091 | 4,926 | - |
| | | | | | 1,633 |
| | | | | | 1,706 |
| | | | | | 4,926 |

On 29 March 2011, the Company had purchased the shares of Sirijaroenwattana Co., Ltd., totalling amount of Baht 120 million. Rights to manage natural gas stations presented in the consolidated financial statements was from acquisitions of Sirijaroenwattana Co., Ltd. in 2011 and it was amortised as expenses in statement of comprehensive income over the contract term of 14 years 11 months.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

15 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

| Consolidated financial statements | | | | |
|--|---------------------------|---------------|--------------------|-----------------|
| | Assets | | Liabilities | |
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Total | 17,318 | 24,040 | (103,233) | (101,553) |
| Set off of tax | 3,279 | (3,247) | (3,279) | 3,247 |
| Net deferred tax assets (liabilities) | 20,597 | 20,793 | (106,512) | (98,306) |

| Separate financial statements | | | | |
|--|---------------------------|---------------|--------------------|----------|
| | Assets | | Liabilities | |
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Total | 18,715 | 17,746 | (220) | (220) |
| Set off of tax | (220) | (220) | 220 | 220 |
| Net deferred tax assets | 18,495 | 17,526 | - | - |



Movements in total deferred tax assets and liabilities during the year were as follows:

| | Consolidated financial statements (Charged) / Credited to: | | | |
|--|---|----------------|--|------------------|
| | At 1 January 2015 | Profit (loss) | Other comprehensive income (in thousand Baht) | Equity |
| Deferred tax assets | | | | |
| Trade accounts receivable | 3,080 | 864 | - | - |
| Long-term investments | 711 | - | - | - |
| Property, plant and equipment and investment properties | 10,422 | (6,790) | - | - |
| Other payables | 3,614 | 1,008 | - | - |
| Employee benefit obligations | 6,213 | (74) | (1,730) | - |
| Total | 24,040 | (4,992) | (1,730) | - |
| | | | | 17,318 |
| Deferred tax liabilities | | | | |
| Long-term investments | (41,136) | - | (10,837) | - |
| Other non-current assets | (60,417) | 9,157 | - | - |
| Total | (101,553) | 9,157 | (10,837) | - |
| | | | | (51,973) |
| | | | | (51,260) |
| | | | | (103,233) |
| Net | (77,513) | 4,165 | (12,567) | - |
| | | | | (85,915) |

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements

| | Consolidated financial statements (Charged) / Credited to: | | | |
|--|---|-----------------|--|---------------------------|
| | At 1 January 2014 | Profit (loss) | Other comprehensive income (in thousand Baht) | At 31 December 2014 |
| Deferred tax assets | | | | |
| Trade accounts receivable | 3,059 | 21 | - | 3,080 |
| Long-term investments | 711 | - | - | 711 |
| Property, plant and equipment and investment properties | 13,693 | (3,271) | - | 10,422 |
| Other payables | 4,031 | (417) | - | 3,614 |
| Provisions | 31,472 | (31,472) | - | - |
| Employee benefit obligations | 5,948 | 268 | (3) | 6,213 |
| Total | 58,914 | (34,871) | (3) | 24,040 |
| Deferred tax liabilities | | | | |
| Long-term investments | (33,486) | - | (7,650) | (41,136) |
| Other non-current assets | (62,442) | 2,025 | - | (60,417) |
| Total | (95,928) | 2,025 | (7,650) | (101,553) |
| Net | (37,014) | (32,846) | (7,653) | (77,513) |

| | Separate financial statements (Charged) / credited to: | | | |
|--|---|---------------|--|---------------------------|
| | At 1 January 2015 | Profit (loss) | Other comprehensive income (in thousand Baht) | Equity |
| | | | | At 31 December 2015 |
| Deferred tax assets | | | | |
| Trade and other accounts receivable | 1,579 | 819 | - | 2,398 |
| Long-term investments | 711 | - | - | 711 |
| Property, plant and equipment and investment properties | 7,741 | (164) | - | 7,577 |
| Other payables | 2,631 | 1,078 | - | 3,709 |
| Employee benefit obligations | 5,084 | 840 | (1,604) | 4,320 |
| Total | 17,746 | 2,573 | (1,604) | 18,715 |
| Deferred tax liabilities | | | | |
| Other non-current assets | (220) | - | - | (220) |
| Total | (220) | - | - | (220) |
| Net | 17,526 | 2,573 | (1,604) | 18,495 |

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

| | At 1 January 2014 | Separate financial statements (Charged) / credited to: | | | At 31 December 2014 |
|--|-------------------------|---|--|----------|---------------------------|
| | | Profit (loss) | Other comprehensive income (in thousand Baht) | Equity | |
| Deferred tax assets | | | | | |
| Trade and other accounts receivable | 1,759 | (180) | - | - | 1,579 |
| Long-term investments | 711 | - | - | - | 711 |
| Property, plant and equipment and investment properties | 4,695 | 3,046 | - | - | 7,741 |
| Other payables | 2,614 | 17 | - | - | 2,631 |
| Employee benefit obligations | 4,421 | 663 | - | - | 5,084 |
| Total | 14,200 | 3,546 | - | - | 17,746 |
| Deferred tax liabilities | | | | | |
| Other non-current assets | (220) | - | - | - | (220) |
| Total | (220) | - | - | - | (220) |
| Net | 13,980 | 3,546 | - | - | 17,526 |

Deferred tax asset arising from temporary difference unused that have not been recognised in the financial statements as of 31 December 2015, were tax losses amounting to Baht 2,294 million, which will be expired in the year 2015, 2016, 2017, 2018 and 2019 totaling Baht 74 million, Baht 88 million, Baht 125 million, Baht 54 million, and Baht 1,953 million, respectively. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

16 Other non-current assets

| | | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|------|--------------------------------------|----------------|----------------------------------|----------------|
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | <i>(in thousand Baht)</i> | | | |
| Leasehold rights | | 522,388 | 611,837 | 97,627 | 88,674 |
| Fixed deposit pledged as collateral | 17 | 26,400 | 26,400 | 26,400 | 26,400 |
| Deposit for land | | 20,000 | 20,000 | 20,000 | 20,000 |
| Others | | 40,683 | 35,026 | 56,320 | 37,746 |
| Total | | 609,471 | 693,263 | 200,347 | 172,820 |

Leasehold rights

The Group and the Company entered into land rental agreements for the purpose to operate petrol and gas stations, minimarts, and other related operations. The contract periods are 3-25 years which the Group and the Company are allowed to sub-lease the land for the period specified in the contracts.

Deposit for land

As at 31 December 2015, the Company has paid a deposit for land of Baht 20 million for an agreement to purchase a piece of land within 5 years from 29 March 2011.

17 Interest-bearing liabilities

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|--------------------------------------|------------------|----------------------------------|------------------|
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | <i>(in thousand Baht)</i> | | | |
| <i>Current</i> | | | | | |
| Bank overdrafts | | | | | |
| Unsecured | | - | 16,558 | - | 16,558 |
| Short-term loans from financial institutions | | | | | |
| Unsecured | | 200,000 | - | 200,000 | - |
| Short-term loans from related parties | | | | | |
| Unsecured | 5 | - | - | 392,000 | 594,000 |
| Current portion of long-term loans from financial institutions | | | | | |
| Secured | | 295,750 | 342,750 | 295,750 | 342,750 |
| Current portion of finance lease liabilities | | 4,117 | 3,219 | 4,051 | 3,098 |
| | | 499,867 | 362,527 | 891,801 | 956,406 |
| <i>Non -current</i> | | | | | |
| Long-term loans from financial institutions | | | | | |
| Secured | | 431,415 | 1,046,165 | 431,415 | 1,046,165 |
| Finance lease liabilities | | 5,704 | 5,669 | 5,704 | 5,603 |
| | | 437,119 | 1,051,834 | 437,119 | 1,051,768 |
| Total | | 936,986 | 1,414,361 | 1,328,920 | 2,008,174 |

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|------------------|--|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Within one year | 495,750 | 359,308 | 887,750 | 953,308 |
| After one year but within five years | 431,415 | 965,165 | 431,415 | 965,165 |
| After five years | - | 81,000 | - | 81,000 |
| Total | 927,165 | 1,405,473 | 1,319,165 | 1,999,473 |

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------|--|----------------|--|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Property | 761,214 | 340,149 | 761,214 | 340,149 |
| Investment properties | - | 421,958 | - | 421,958 |
| Cash at banks | 26,400 | 26,400 | 26,400 | 26,400 |
| Total | 787,614 | 788,507 | 787,614 | 788,507 |

According to the loan agreement, the Company had to comply with some conditions specified such as maintaining financial ratio, etc.

Interest-bearing liabilities of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Details of the Group's long-term borrowings as at 31 December 2015 and 2014 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|-----------|----------------------------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| | (in thousand Baht) | | | |
| The Company: | | | | |
| 1) Baht 330 million Credit Facility Agreement at interest THBFIX plus 2.55%, payable in quarterly instalments commencing in June 2011. | - | 214,500 | - | 214,500 |
| 2) Baht 140 million Credit Facility Agreement at interest MLR less 1%, payable in quarterly instalments commencing in May 2012. | - | 101,500 | - | 101,500 |
| 3) Baht 1,270.50 million Credit Facility Agreement at interest 3-month BIBOR plus 2.5% for the 1 st -3 rd year and at interest 3-month BIBOR plus 3% for the 4 th -7 th year, payable in quarterly instalments commencing in January 2014. | 603,165 | 864,915 | 603,165 | 864,915 |
| 4) Baht 250 million Credit Facility Agreement at interest THBFIX plus 1.90%, payable in quarterly instalments commencing in September 2014. | 124,000 | 208,000 | 124,000 | 208,000 |
| Total | 727,165 | 1,388,915 | 727,165 | 1,388,915 |

As at 31 December 2015, the unused credit lines are Baht 1,528 million.

18 Trade accounts payable

| | Note | Consolidated financial statements | | Separate financial statements | |
|-----------------|------|--------------------------------------|----------------|----------------------------------|----------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 5 | 13,109 | 13,487 | 648,525 | 251,027 |
| Other parties | | 753,800 | 710,716 | 330,643 | 259,840 |
| Total | | 766,909 | 724,203 | 979,168 | 510,867 |

Trade accounts payable of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

19 Other payables

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------|--------------------------------------|----------------|----------------------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Accrued operating expenses | 91,425 | 91,732 | 63,889 | 48,994 |
| Deposits and advances received | 54,653 | 21,454 | 50,253 | 19,487 |
| Others | 66 | 108 | 33 | 71 |
| Total | 146,144 | 113,294 | 114,175 | 68,552 |

The Group's and the Company's other payables as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

20 Employee benefit obligations

Movement in the present value of the defined benefit obligations

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|---------------|----------------------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Defined benefit obligations at 1 January | 31,067 | 29,822 | 25,424 | 22,104 |
| Include in profit or loss: | | | | |
| Current service cost | 4,719 | 699 | 3,416 | 2,855 |
| Interest on obligation | 1,086 | 916 | 878 | 752 |
| | 5,805 | 1,615 | 4,294 | 3,607 |
| Included in other comprehensive income | | | | |
| Actuarial gain | (8,651) | (16) | (8,020) | - |
| | (8,651) | (16) | (8,020) | - |
| Other | | | | |
| Benefit paid | (186) | (354) | (99) | (287) |
| Transfer of employees from subsidiary | - | - | 5,987 | - |
| | (186) | (354) | 5,888 | (287) |
| Defined benefit obligations at 31 December | 28,035 | 31,067 | 27,586 | 25,424 |

During the year ended 31 December 2015, the Company was transferred 500 employees from a subsidiary, resulted in an increase in employee benefit obligations of the Company of Baht 5.99 million.



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Actuarial gains and losses recognised in other comprehensive income arising from:

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------|--------------------------------------|-------------|----------------------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Demographic assumptions | (419) | (26) | 77 | - |
| Financial assumptions | 67 | - | (413) | - |
| Experience adjustment | (8,299) | 10 | (7,684) | - |
| Total | (8,651) | (16) | (8,020) | - |

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 10 years (2014: 12 years).

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | Consolidated financial statements | | Separate financial statements | |
|----------------------|--------------------------------------|--------------|----------------------------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(%)</i> | | | |
| Discount rate | 2.52 - 3.47 | 3.28 - 4.023 | 2.53 | 3.39 |
| Future salary growth | 5 - 6 | 6 | 5 | 6 |
| Turnover rate | | | | |
| Below 31 years | 24 - 40 | 46 - 53 | 39 | 53 |
| 31 - 40 years | 24 - 38 | 24 - 28 | 26 | 28 |
| 41 - 50 years | 14 - 24 | 14 - 24 | 14 | 14 |
| Above 50 years | - | - | - | - |

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------|----------------------------------|----------|
| | (in thousand Baht) | | | |
| Defined benefit obligation 31 December 2015 | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (2,360) | 2,679 | (2,316) | 2,630 |
| Future salary growth (1% movement) | 2,732 | (2,451) | 2,677 | (2,401) |
| Turnover rate (1% movement) | (2,535) | 697 | (2,486) | 686 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

21 Share capital

| | | Consolidated / Separate financial statements | | | |
|-------------------------------------|---|--|------------------|------------------|------------------|
| Par value per share (in Baht) | | 2015 | | 2014 | |
| | | Number | Baht | Number | Baht |
| | | (thousand shares / thousand Baht) | | | |
| Authorised | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 1 | 1,375,000 | 1,375,000 | 1,395,000 | 1,395,000 |
| Increase of new shares | 1 | - | - | (295,000) | (295,000) |
| Reduction of shares | 1 | - | - | 275,000 | 275,000 |
| At 31 December | | | | | |
| - ordinary shares | 1 | 1,375,000 | 1,375,000 | 1,375,000 | 1,375,000 |
| Issued and paid-up | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 1 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| At 31 December | | | | | |
| - ordinary shares | 1 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account. Share premium is not available for dividend distribution.

Issue of ordinary shares

At the Extraordinary Meeting of Shareholders of the Company on 16 December 2014, shareholders approved the following resolutions:

- Decrease of authorized share capital from Baht 1,395 million (1,395 million shares at a par value of Baht 1 per share) to Baht 1,100 million (1,100 million shares at a par value of Baht 1 per share). The Company registered the decrease of authorised share capital with the Department of Business Development, Ministry of Commerce on 23 December 2014.
- Increase of authorized share capital from Baht 1,100 million (1,100 million shares at a par value of Baht 1 per share) to Baht 1,375 million (1,375 million shares at a par value of Baht 1 per share), to accommodate the exercise of the warrants to purchase the new ordinary shares of the Company as mentioned above. The Company registered the increase of authorised share capital with the Department of Business Development, Ministry of Commerce on 24 December 2014.

22 Surplus on treasury shares

The surplus on treasury shares represents the accumulated surplus on sale of treasury shares, net of any deficits on sale or cancellation of treasury shares. The surplus on treasury shares is not available for dividend distribution.



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

23 Warrants

On 5 February 2015, the Company issued warrants to purchase new ordinary shares of the Company. The details of warrants are as follows;

| | | |
|---------------------------|---|---|
| Name of warrants | : | Warrants to purchase the new ordinary shares of SUSCO Public Company Limited No.1 (SUSCO-W1) |
| Allocated to | : | Existing common shareholders |
| Number of warrants issued | : | 275,000,000 units |
| Offering price | : | Baht 0.10 per unit |
| Number of listed warrants | : | 274,977,311 units |
| Maturity | : | 4 years |
| Exercise price | : | Baht 4 per share |
| Exercise right per unit | : | Warrant 1 unit to 1 ordinary share |
| Exercise period | : | The holders of warrants are able to exercise the warrant on the last business day of March, June, September and December each year and the last exercise date will be on 4 February 2019. |

The Company received Baht 27.50 million from the warrants issuance and presented under equity as at 31 December 2015.

On 31 March 2015, 1-unit-of-warrant holder exercised the right to purchase 1 of new ordinary share of the Company. As at 31 December 2015, the remaining balance of unexercised warrants was 274,977,310 units.

24 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

25 Segment information

The Group operates in a single line of business, namely the fuel and energy business, The Group's products were sold through two main channels, wholesale and retail. Both channels has similar group of customers and products; therefore, the management considers that the Group operates in one major business segment.

Geographical segments

In presenting geographical information, revenue is based on the geographical location of customers.

Geographical information

| | Consolidated financial statements | |
|--------------|--|-------------------|
| | Revenue | |
| | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | |
| Thailand | 14,773,346 | 18,251,795 |
| Cambodia | 3,755,880 | 5,212,526 |
| Myanmar | 230,782 | 422,735 |
| Laos | 407,105 | 546,486 |
| China | 47,803 | 74,511 |
| Total | 19,214,916 | 24,508,053 |

Major customers

Revenues from one customer of the Group's represents approximately Baht 652 million during the year ended 31 December 2015 and another customer during the year ended 31 December 2014 amounted to Baht 161 million of the Group's total revenues.

26 Other income

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Gas stations management fee | 118,363 | 125,251 | 74,862 | 76,556 |
| Income from transfer rights of sublease for land | 60,000 | - | - | - |
| Rental income | 59,507 | 57,141 | 77,925 | 74,940 |
| Franchise income | 31,980 | 19,476 | - | - |
| Net foreign exchange gain | 11,596 | 20,242 | 11,024 | 9,401 |
| Gain on disposal of property, plant and equipment | 9,048 | 1,764 | 9,048 | 1,483 |
| Transportation income | 7,093 | 9,563 | 5,519 | 25,919 |
| Gain on sale of long-term investment | - | 233,883 | - | - |
| Reversal of provision | - | 122,125 | - | - |
| Gain on sale of investment in subsidiary | - | 10,252 | - | - |
| Management fee | - | - | 42,703 | 25,864 |
| Others | 90,497 | 114,831 | 65,997 | 90,877 |
| Total | 388,084 | 714,528 | 287,078 | 305,040 |



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

27 Selling expenses

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|--------------------------------------|----------------|----------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Personnel expenses | 190,642 | 181,643 | 117,526 | 93,326 |
| Depreciation and amortisation | 178,941 | 216,268 | 31,394 | 48,080 |
| Freight expenses | 91,708 | 79,773 | 59,069 | 62,222 |
| Rental expenses | 66,513 | 80,772 | 79,217 | 58,883 |
| Promotion expenses | 63,692 | 35,904 | 49,263 | 21,844 |
| Utilities and facilities expenses | 52,298 | 41,530 | 38,483 | 28,160 |
| Repair and maintenance expenses | 17,232 | 53,395 | 6,858 | 3,601 |
| Others | 53,062 | 5,107 | 32,903 | 33,430 |
| Total | 714,088 | 694,392 | 414,713 | 349,546 |

28 Administrative expenses

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|--------------------------------------|----------------|----------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Personnel expenses | 157,337 | 161,348 | 143,154 | 127,366 |
| Depreciation and amortisation | 68,776 | 41,935 | 59,107 | 31,061 |
| Rental expenses | 55,449 | 37,393 | 37,103 | 34,676 |
| Repair and maintenance expenses | 23,419 | 19,832 | 16,595 | 18,329 |
| Bank charges | 18,637 | 29,858 | 16,143 | 27,255 |
| Loss on impairment of assets | - | 33,971 | - | 15,232 |
| Others | 102,938 | 113,364 | 49,494 | 51,753 |
| Total | 426,556 | 437,701 | 321,596 | 305,672 |

29 Employee benefit expense

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--------------------------------------|----------------|----------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Management personnel | | | | |
| Salaries | 29,553 | 27,766 | 29,553 | 27,766 |
| Provident fund | 1,239 | 1,328 | 1,239 | 1,328 |
| Others | 10,126 | 15,271 | 10,054 | 12,387 |
| | 40,918 | 44,365 | 40,846 | 41,481 |
| Other employee | | | | |
| Wages and salaries | 237,420 | 213,287 | 167,963 | 130,365 |
| Provident fund | 5,324 | 5,303 | 4,209 | 3,180 |
| Others | 64,317 | 80,036 | 47,662 | 45,666 |
| | 307,061 | 298,626 | 219,834 | 179,211 |
| Total | 347,979 | 342,991 | 260,680 | 220,692 |

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Defined benefit plans

Details of the defined benefit plans are given in note 20.

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 4% to 6% of their basic salaries and by the Group at rates ranging from 4% to 6% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

30 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|-------------------|--|-------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Changes in inventories of finished goods | 244,255 | 155,922 | 33,219 | 40,350 |
| Cost of sales of finished goods | 17,989,971 | 23,465,583 | 10,050,086 | 11,788,747 |
| Employee benefit expenses | 347,979 | 342,991 | 260,680 | 220,692 |
| Depreciation and amortisation | 247,716 | 258,203 | 90,501 | 79,141 |
| Freight expenses | 91,708 | 79,773 | 59,069 | 62,222 |
| Electricity and water expenses | 50,429 | 41,549 | 38,717 | 29,731 |
| Maintenance expenses | 40,651 | 73,226 | 23,453 | 21,930 |
| Advertising expenses | 35,968 | 13,370 | 35,364 | 12,805 |
| Utilities and the communication expenses | 11,976 | 13,621 | 8,021 | 6,693 |
| Loss on impairment of assets | - | 33,971 | - | 15,232 |
| Others | 314,216 | 275,388 | 220,503 | 206,772 |
| Total cost of sales of goods, selling expenses and administrative expenses | 19,374,869 | 24,753,597 | 10,819,613 | 12,484,315 |

31 Finance costs

| | | Consolidated financial statements | | Separate financial statements | |
|--------------------------|------|--|---------------|--|---------------|
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | <i>(in thousand Baht)</i> | | | |
| Interest expense: | | | | | |
| Related parties | 5 | - | 176 | 15,149 | 9,521 |
| Other parties | | 61,368 | 90,513 | 56,309 | 84,895 |
| Total | | 61,368 | 90,689 | 71,458 | 94,416 |



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

32 Income tax expense

Income tax recognised in profit or loss

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|----------------|
| <i>Note</i> | 2015 | 2014 | 2015 | 2014 |
| | <i>(in thousand Baht)</i> | | | |
| Current tax expense | | | | |
| Current year | 19,765 | 11,295 | 15,798 | 10,000 |
| Adjustment for prior years | 551 | 1,929 | 551 | 260 |
| Total | 20,316 | 13,224 | 16,349 | 10,260 |
| Deferred tax | | | | |
| 15 Movements in temporary differences | (4,165) | 32,846 | (2,573) | (3,546) |
| | (4,165) | 32,846 | (2,573) | (3,546) |
| Total income tax expense | 16,151 | 46,070 | 13,776 | 6,714 |

Reconciliation of effective tax rate

| | Consolidated financial statements | | | |
|--|--|-----------------------------------|---------------------|-----------------------------------|
| | 2015 | | 2014 | |
| | | | (Restated) | |
| | <i>Rate (%)</i> | <i>(in thousand Baht)</i> | <i>Rate (%)</i> | <i>(in thousand Baht)</i> |
| Profit before income tax expense | | 171,231 | | 388,966 |
| Income tax using the Thai corporation tax rate | 20 | 34,246 | 20 | 77,793 |
| Income not subject to tax | | (7,767) | | (73,234) |
| Expenses not deductible for tax purposes | | 19,494 | | 33,178 |
| Utilisation of tax losses | | (26,208) | | (26,442) |
| Deferred tax (expense) income | | (4,165) | | 32,846 |
| Under provided in prior years | | 551 | | 1,929 |
| Total | 9.43 | 16,151 | 11.87 | 46,070 |

| | Separate financial statements | | | |
|--|--------------------------------------|-----------------------------------|---------------------|-----------------------------------|
| | 2015 | | 2014 | |
| | <i>Rate (%)</i> | <i>(in thousand Baht)</i> | <i>Rate (%)</i> | <i>(in thousand Baht)</i> |
| Profit before income tax expense | | 305,198 | | 18,478 |
| Income tax using the Thai corporation tax rate | 20 | 61,040 | 20 | 3,696 |
| Income not subject to tax | | (52,947) | | (2,672) |
| Expenses not deductible for tax purposes | | 7,705 | | 8,976 |
| Deferred tax expense | | (2,573) | | (3,546) |
| Under provided in prior years | | 551 | | 260 |
| Total | 4.51 | 13,776 | 36.33 | 6,714 |

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period begins on or after 1 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

33 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the year ended 31 December 2015 and 2014 were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year, adjusted for own share held as follows:

| <i>For the year ended 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|---|--|-------------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | | (Restated) | | |
| | | <i>(in thousand Baht / thousand shares)</i> | | |
| Profit attributable to ordinary shareholders of the Company (basic) | <u>155,080</u> | <u>342,896</u> | <u>291,422</u> | <u>11,764</u> |
| Number of ordinary shares outstanding | <u>1,100,000</u> | <u>1,100,000</u> | <u>1,100,000</u> | <u>1,100,000</u> |
| Earnings per share (basic) (in Baht) | <u>0.14</u> | <u>0.31</u> | <u>0.26</u> | <u>0.01</u> |



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Diluted earnings per share

The calculations of diluted earnings per share for the year ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

| <i>For the year ended 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------------|--|------------------|
| | 2015 | 2014 (Restated) | 2015 | 2014 |
| | <i>(in thousand Baht / thousand shares)</i> | | | |
| Profit attributable to ordinary shareholders of the Company (basic) | 155,080 | 342,896 | 291,422 | 11,764 |
| Profit attributable to ordinary shareholders of the Company (diluted) | 155,080 | 342,896 | 291,422 | 11,764 |
| Number of ordinary shares outstanding (basic) | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| Effect of exercise of shares options | - | - | - | - |
| Weighted average number of ordinary shares outstanding (diluted) | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| Earnings per share (diluted) (in Baht) | 0.14 | 0.31 | 0.26 | 0.01 |

34 Dividends

On 23 April 2015, the Annual Shareholder's Meeting had resolution to pay dividend of the last half year of 2014 at Baht 0.05 per share, amounting to Baht 55 million, which was paid on 22 May 2015, amounting to Baht 54.85 million.

On 27 August 2015, the Board of Director's Meeting had resolution to pay dividend of the first half year of 2015 at Baht 0.03 per share, amounting to Baht 33 million, which was paid on 24 September 2015, amounting to Baht 29.60 million.

On 24 April 2014, the Annual Shareholder's Meeting had resolution to pay dividend of the last half year of 2013 at Baht 0.06 per share, amounting to Baht 66 million, which was paid on 23 May 2014, amounting to Baht 65.86 million.

On 28 August 2014, the Board of Director's Meeting had resolution to pay dividend of the first half year of 2014 at Baht 0.03 per share, amounting to Baht 33 million, which was paid on 26 September 2014, amounting to Baht 32.90 million.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

35 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain shareholder and other stakeholder and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from (Note 17).

The effective interest rates of debt securities and loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price are given in note 17.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

| | | Consolidated | | Separate | |
|-------------------------------------|------|----------------------|-----------------|----------------------|-----------------|
| | | financial statements | | financial statements | |
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | (in thousand Baht) | | | |
| United States Dollars | | | | | |
| Trade accounts receivable | 7 | 157,139 | 283,800 | 73,405 | 109,328 |
| | | <u>157,139</u> | <u>283,800</u> | <u>73,405</u> | <u>109,328</u> |
| Gross balance sheet exposure | | | | | |
| Currency forwards | | <u>(31,816)</u> | <u>(75,586)</u> | <u>(31,816)</u> | <u>(75,586)</u> |
| Net exposure | | 125,323 | 208,214 | 41,589 | 33,742 |



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial assets and liabilities

Fair values of financial assets and liabilities is taken to approximately the carrying value, except the following items:

| | | Consolidated financial statements | | | | |
|--------------------------------------|---------|-----------------------------------|------------|---------|---------|-------|
| | | Carrying amount | Fair value | | | Total |
| | | | Level 1 | Level 2 | Level 3 | |
| | | (in thousand Baht) | | | | |
| 31 December 2015 | | | | | | |
| Current | | | | | | |
| Forward foreign exchange contracts | - | - | 31,774 | - | 31,774 | |
| Non-current | | | | | | |
| Equity securities available for sale | 372,937 | 372,937 | - | - | 372,937 | |
| | | Separate financial statements | | | | |
| | | Carrying amount | Fair value | | | Total |
| | | | Level 1 | Level 2 | Level 3 | |
| | | (in thousand Baht) | | | | |
| 31 December 2015 | | | | | | |
| Current | | | | | | |
| Forward foreign exchange contracts | - | - | 31,774 | - | 31,774 | |

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|-------------------|----------------------------------|-------------------|
| | Fair value | Carrying value | Fair value | Carrying value |
| 31 December 2014 | | | | |
| Current | | | | |
| Forward foreign exchange contracts | 75,508 | - | 75,508 | - |
| Non-current | | | | |
| Equity securities available for sale | 318,750 | 318,750 | - | - |

(in million Baht)

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

36 Commitments with non-related parties

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|------------------|----------------------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | (in thousand Baht) | | | |
| Non-cancellable operating lease commitments | | | | |
| Within one year | 99,228 | 98,684 | 51,672 | 47,140 |
| After one year but within five years | 266,902 | 279,873 | 142,373 | 133,980 |
| After five years | 419,666 | 390,818 | 230,118 | 174,912 |
| Total | 785,796 | 769,375 | 424,163 | 356,032 |
| Other commitments | | | | |
| Bank guarantee | 1,718,968 | 1,678,630 | 1,718,968 | 1,678,630 |
| Total | 1,718,968 | 1,678,630 | 1,718,968 | 1,678,630 |



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

Significant agreements

Aviation Fuels Sale Agreements

As at 31 December 2015, a subsidiary, SUSCO Dealers Co., Ltd., had Aviation Fuels Sale Agreements with several Airlines. SUSCO Dealers Co., Ltd. has commitments to sell aviation fuels at quantity and price as specified in the agreements. Selling prices are determined based on oil price in Singapore market and fixed margin per unit as agreed. The agreements are for the period between 1 - 2 years, commencing from the date specified in the agreements.

Oil hedging contracts

As at 31 December 2015, the Company had no obligations on the oil hedging contracts. However, the Company still pledges its Bank Deposit Book with a local bank as collateral for future oil hedging contracts.

Forward foreign exchange contracts

As at 31 December 2015, the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 0.88 million (equal to Baht 31.82 million) with maturity date in January 2016.

Letter of guarantee from financial institutions

As at 31 December 2015, the Company was contingently liable to financial institutions for letters of guarantee issued by the financial institution in the favor of purchasing oil totaling Baht 1,718.97 million.

37 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

| TFRS | Topic |
|-----------------------|---|
| TAS 1 (revised 2015) | Presentation of Financial Statements |
| TAS 2 (revised 2015) | Inventories |
| TAS 7 (revised 2015) | Statement of Cash Flows |
| TAS 8 (revised 2015) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2015) | Events After the Reporting Period |
| TAS 12 (revised 2015) | Income Taxes |
| TAS 16 (revised 2015) | Property, Plant and Equipment |
| TAS 17 (revised 2015) | Leases |
| TAS 18 (revised 2015) | Revenue |
| TAS 19 (revised 2015) | Employee Benefits |
| TAS 21 (revised 2015) | The Effects of Changes in Foreign Exchange Rates |
| TAS 23 (revised 2015) | Borrowing Costs |
| TAS 24 (revised 2015) | Related Party Disclosures |
| TAS 26 (revised 2015) | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2015) | Separate Financial Statements |
| TAS 28 (revised 2015) | Investments in Associates and Joint Ventures |
| TAS 33 (revised 2015) | Earnings Per Share |
| TAS 34 (revised 2015) | Interim Financial Reporting |

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

| TFRS | Topic |
|-------------------------|--|
| TAS 36 (revised 2015) | Impairment of Assets |
| TAS 37 (revised 2015) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2015) | Intangible Assets |
| TAS 40 (revised 2015) | Investment Property |
| TFRS 3 (revised 2015) | Business Combinations |
| TFRS 5 (revised 2015) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 8 (revised 2015) | Operating Segments |
| TFRS 10 (revised 2015) | Consolidated Financial Statements |
| TFRS 12 (revised 2015) | Disclosure of Interests in Other Entities |
| TFRS 13 (revised 2015) | Fair Value Measurement |
| TSIC 27 (revised 2015) | Evaluating the Substance of Transactions in the Legal Form of a Lease |
| TFRIC 1 (revised 2015) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 (revised 2015) | Determining Whether an Arrangement Contains a Lease |
| TFRIC 5 (revised 2015) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC 10 (revised 2015) | Interim Financial Reporting and Impairment |
| TFRIC 13 (revised 2015) | Customer Loyalty Programmes |

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

38 Reclassification of accounts

Certain accounts in the 2014 financial statements have been reclassified to conform to the presentation in the 2015 financial statements. Significant reclassifications were as follows:

| | 2014 | | | | | |
|--|--------------------------------------|----------|--|----------------------------------|----------|-------------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Before reclass. | Reclass. | After reclass. (in thousand Baht) | Before reclass. | Reclass. | After reclass. |
| Statement of financial position | | | | | | |
| Trade accounts receivable | 705,648 | (867) | 704,781 | 351,620 | (12,817) | 338,803 |
| Other receivables | 74,911 | 867 | 75,778 | 36,440 | 12,817 | 49,257 |
| | | <u>-</u> | | | <u>-</u> | |
| Statement of comprehensive income | | | | | | |
| Selling expenses | 680,968 | 13,424 | 694,392 | 336,317 | 13,229 | 349,546 |
| Administrative expenses | 451,125 | (13,424) | 437,701 | 318,901 | (13,229) | 305,672 |
| | | <u>-</u> | | | <u>-</u> | |

In the opinion of management, the reclassifications have been made because the new classification is more appropriate to the Group's business.







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