



SUSCO

SUSCO Public Company Limited



ANNUAL REPORT 2017

Content

(a)

	Page
Chairman's Message	1
Part One : Business Operations	2
1. Policies and Overall Business Operations of the Company and its Subsidiaries (Group of Companies)	2
1.1 Visions and Business Operations	2
1.2 Important Changes and Developments	2
1.3 Shareholding Structures of the Company in its Subsidiaries and Associates	4
2. Nature of Business Operations	5
Income Structures of the Company and its Subsidiaries, during the past 3 years	5
2.1 Characteristics of the Products	6
2.2 Marketing and Competitive Environment	6
2.2.1 Competition and Products Selling Policies	6
2.2.2 Competitive Environment in the Industry	6
2.2.3 Competitive Advantage	7
2.3 Procurement of the Products for Sale	8
2.3.1 Procedures of Selling Fuel Oils	8
2.3.2 Distributions and Distribution Channels	8
2.3.3 Storage and Delivery of Oil and Their Impacts on Environment	11
3. Risk Factors	12
3.1 Oil Prices Fluctuation	12
3.2 Safety Risk	12
3.3 Financial Risk	12
4. Assets Used in Business Operations	13
4.1 Fixed Assets	13
4.1.1 Book Value of Fixed Assets of the Company and its Subsidiaries	14
4.1.2 Details of Important Fixed Assets	14
4.2 Investment Policy in Subsidiaries and associate	15
4.3 Assets Assessment	16
5. Legal Dispute	16

	Page
6. General Information and Other Important Information	17
6.1 General Information	17
6.2 Other Important Information	18
Part Two : Management and Corporate Governance	19
7. Securities and Shareholders Information	19
7.1 Authorized and Paid - in Capital	19
7.2 Shareholders	19
7.3 Issuance of Other Securities	20
7.4 Dividend Payment Policies of the Company and its Subsidiaries	20
8. Organizational Structure	21
8.1 Board of Directors	22
Qualifications of Independent Directors	25
8.2 Management	25
8.3 Company Secretary	26
8.4 Directors and Management Remuneration	26
8.4.1 Monetary Remuneration	26
8.4.2 Other Remuneration	29
8.5 Personnel	29
Policy in Employee Development	30
9. Corporate Governance	30
9.1 Corporate Governance Policy	30
9.1.1 Rights of Shareholders	30
9.1.2 Equal Treatment of Shareholders	31
9.1.3 Duties to Stakeholders	32
9.1.4 Information Disclosure and Transparency	33
9.1.5 Responsibilities of the Board of Directors	35
9.2 Subcommittee	39
9.2.1 Board of Directors	39
9.2.2 Audit Committee	40
9.2.3 Remuneration and Nomination Subcommittee	41

	Page
9.3 Director's Nomination and Election and Top Management's Appointment	42
9.3.1 Director's Nomination and Election	42
9.3.2 Top Management Appointment	43
9.4 Assessment of the Board of Directors and Assessment of Productivity of the Managing Director	43
9.5 Corporate Governance of the Subsidiaries	44
9.6 Exploitation of Inside Information	45
9.7 Auditor's Remuneration	45
9.8 Anti-Corruption Policy	45
9.9 Other Corporate Governance compliance	47
10. Corporate Social Responsibilities and Environment	48
11. Internal Control and Risk Management	51
11.1 Opinion of the Board of Directors	51
11.1.1 Organization Internal Control	51
11.1.2 Management Operational Control	51
11.1.3 Information System and Communication	52
11.1.4 Follow - up System	53
11.2 Opinion of the Audit Committee	54
11.3 Chief of Internal Audit Office	54
12. Inter - Company Transactions	54
 Part Three : Financial Statements	 56
13. Significant Financial Information	56
13.1 Independent Auditor's Report	56
13.2 Comparison of Consolidated Financial Statements	60
13.3 Comparison of Significant Financial Ratios	67
14. Management Discussion and Analysis	68
 Financial Statements for the year ended 31 December 2017	 71

This page has been intentionally left blank.

Chairman's Message

In 2017, the Thai economy grew around 3.9 %. It was gradually grown and expected that it will grow around 4% in 2018 which is still in a good trend. Oil prices in the global market have been recovered from a low point of around 30-40 USD / BBL (WTI) in 2015 to around 50 USD / BBL in 2016 and continued to about 60 USD / BBL in the end of 2017. From now on, oil prices are likely to pick up in the long term as the top oil producers try to reduce the volume of production which had been higher than demand, but if the prices are too high, there will be some oil producers ready to increase their production as well, which will suppress the oil prices not to become very high.

In 2017, our Group of Companies sold 1,147 million litres of oil, an increase of 6.5% from 1,077 million litres in 2016. The total revenues were Baht 23,425 million. The net profit was Baht 222 million, decreasing Baht 62 million from 2016 due to Baht 115 million extra tax expenditures, as already been informed to the shareholders via the Stock Exchange of Thailand. Excluding these extra items, the Company still generated higher profits as to the higher sales growth.

For the Company's business in the year 2017, domestic oil retail sales were quite stable. The Company still plans to gradually expand the number of service stations, focusing on stations that provide good return on investment. The number of service stations in Thailand is projected to increase in the next few years, as many companies have accelerated to build their service stations simultaneously which will lead to a very high competition. The Company continues to use the strategy of selecting to open service stations in urbanized locations and building loyal customers. One of the Company's businesses that was growing well was the oil export to the neighboring countries, growing by 22%, which made the export volume in the second half of the year close to the domestic retail sales volume through the service stations. The sales volume of aviation fuel was still growing well as well, approximately 9% per year.

In 2017, the Company had celebrated 40th Anniversary. In the past, the Company has gone through many business fluctuations. Now, the technology has developed a lot, making the business environment changes very quickly. The Company is continuously adapting to new changes, teaming up with its business partners to carry out the solar roof projects by installing solar panels on the roof of the Company's service stations to generate a clean renewable energy and also installed electric vehicle chargers at various service stations to be ready for future changes. The Company has continued looking for more business partnerships such as minimart, top coffee shop brands, and etc., to provide more variety of services in our service stations to attract more customers which have more complex and diverse needs.

On behalf of the Board of Directors, I would like to express my sincere gratitude to all stakeholders for the continued support to our businesses and also to executives and employees of our group of Companies who have devoted their efforts for the Companies. We hope that we shall continuously receive such good support from everyone, so that our Group of Companies will be growing constantly with sustainable growth.



(Mongkol Simaraj)

Chairman



Part One

Business Operations

1. Policies and Overall Business Operations of the Company, its Subsidiaries, and Associates (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 2018, the visions are as follows:

Visions : “Striving for continuous and sustainable growth, by using innovation to grow the business in order to generate 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 by using innovation to grow the business, to keep pace with increasing market competitiveness;
- (4) To operate business with social and environmental responsibility under good corporate governance;
- (5) To respond to the government on basic industrial development and energy policies;

The Group has its goals to increase the sales volume in 2018 from 2017 by approximately 8% with the profit in line with the increased sales volume and to continuously grow at an average rate of 8 to 10 percent per annum by increasing the number of service stations to 300 within 3 to 5 years.

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 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

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

On November 24, 2016, the Board of Directors' Meeting No. 12/2016 unanimously resolved to endorse the Anti-Corruption Policy and its guidelines.

On August 18, 2017, The Company has certified by Thailand's Private Sector Collective Action Coalition Against Corruption.

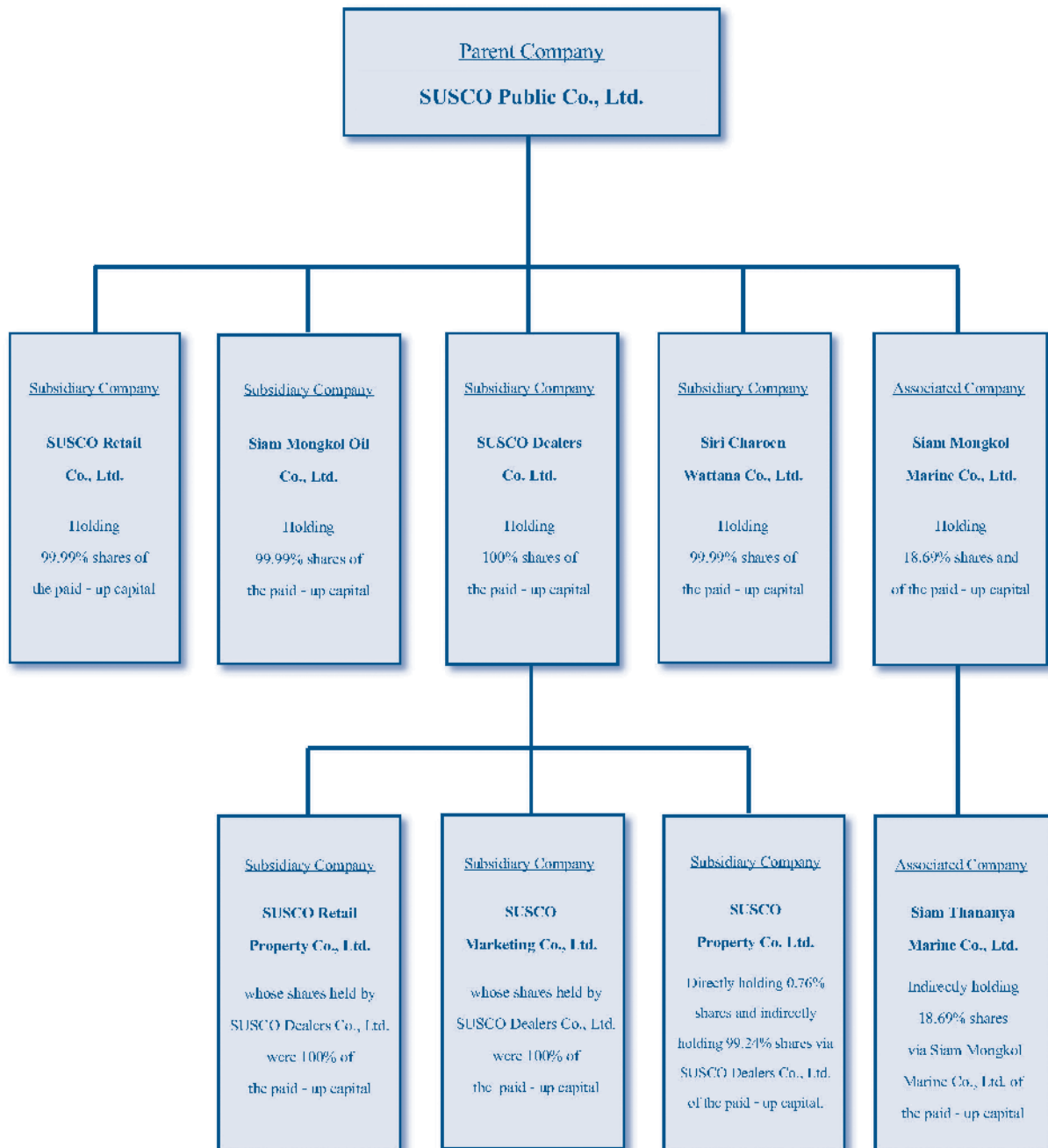
On August 31, 2017, the Board of Directors' Meeting No. 8/2017 unanimously resolved to apply CG Code to the business context.

As of December 31, 2017, the Company owned 3 oil depots, namely: Ratburana Oil Depot, Surat Thani Oil Depot, and Songkhla Oil Depot, and also had many jointed oil depots to store fuels purchased by the Company from various sources for sale and legal reserve.

The Company and its subsidiaries had a total of 220 petrol stations scattered almost throughout the country; 170 stations were operated by the Company and 50 petrol stations were operated by dealers. 10 LPG stations were leased for operation by Siam Mongkol Oil Co., Ltd., its subsidiary; 8 stations were located in the same area of petrol stations, 1 station was located in the same area of NGV station, and 1 station sold only LPG. In addition, the Company also operated 12 NGV stations; 4 stations were located in the same area of petrol stations and 6 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 and Associates, as of December 31, 2017,
were as follows:**



2. Nature of Business Operations

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

Name (Status)	Important Products or Services	% of Shareholding	2017		2016		2015	
			Million Baht	%	Million Baht	%	Million Baht	%
SUSCO PLC (Parent Company)	Selling fuel oils, natural gas, and lubricants	-	15,536.87	54.60	12,603.88	54.02	11,196.27	46.60
SUSCO Retail Co., Ltd. (Subsidiary Company)	Selling fuel oils and operating minimart in service stations	99.99	0.08	0.00	24.20	0.10	2,364.54	9.84
Siam Mongkol Oil Co., Ltd. (Subsidiary Company)	Selling fuel oils, LPG and operating minimart in service stations	99.99	1,099.93	3.87	568.27	2.44	668.42	2.78
Siri Charoen Watana Co., Ltd. (Subsidiary Company)	Operating and managing two natural gas stations	99.99	39.25	0.14	41.10	0.18	44.76	0.19
SUSCO Dealers Co., Ltd. (Subsidiary Company)	Selling fuel oils	100.00	11,529.18	40.52	9,776.87	41.91	9,307.98	38.74
SUSCO Retail Property Co., Ltd. (Subsidiary Company)	Land and petrol stations leasing	100% Indirectly via SUSCO Dealers Co., Ltd.	36.30	0.13	42.50	0.18	53.40	0.22
SUSCO Marketing Co., Ltd. (Subsidiary Company)	Selling fuel oils and licensing the use of trademark.	100% Indirectly via SUSCO Dealers Co., Ltd.	70.94	0.25	73.24	0.31	78.31	0.33
SUSCO Property Co., Ltd. (Subsidiary Company)	Land and petrol stations leasing	0.76% Directly and 99.24% indirectly via SUSCO Dealers Co., Ltd.	31.96	0.11	40.61	0.17	33.11	0.14
SUSCO Intertrade Pte., Ltd. ⁽¹⁾ (Subsidiary Company)	Selling fuel oils abroad	100.00	-	-	-	-	-	-
Siam Mongkol Marine Co., Ltd. (Associated Company)	Oil marine tanker	18.69	85.08	0.30	116.49	0.50	211.15	0.88
Siam Thananya Marine Co., Ltd. (Associated Company)	Oil marine tanker	18.69 Indirectly via Siam Mongkol Marine Co., Ltd.	25.91	0.09	42.74	0.18	69.45	0.29
Total			28,455.50	100.00	23,329.00	100.00	24,027.39	100.00

Remark: ⁽¹⁾ Liquidated on October 7, 2016



2.1 Characteristics of the Products

The products of the Company and its subsidiaries are fuel oils, namely benzene, 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 1% and 7% 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 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.
- Bangehak Corporation 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.



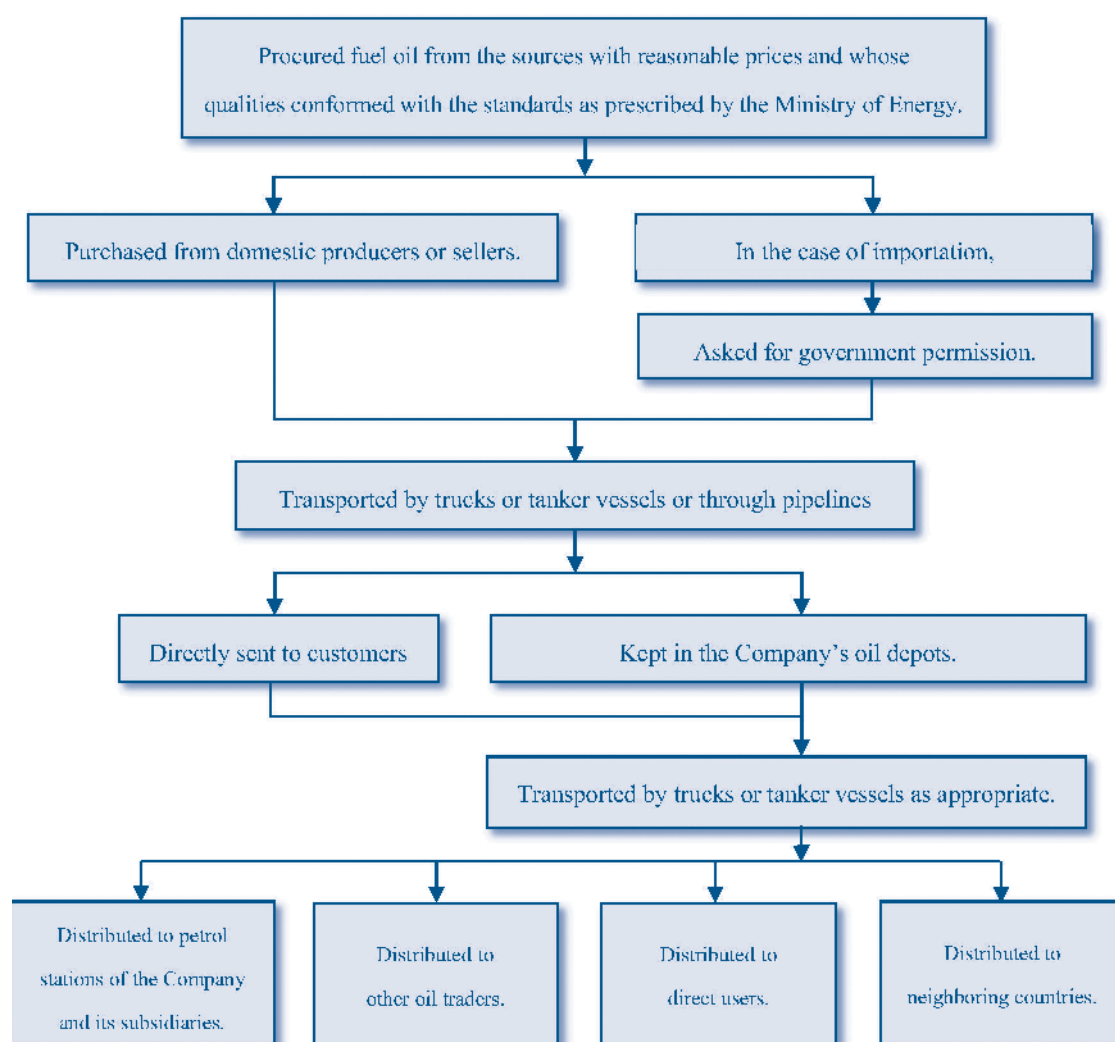
Weaknesses

- 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

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 Procedures of Selling Fuel Oils 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 2017, 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	2017		2016		2015	
	Million Liters	%	Million Liters	%	Million Liters	%
1) General users	446.779	38.22	498.504	45.21	442.315	46.29
2) Oil traders in other countries	401.398	34.33	325.980	29.57	279.804	29.24
3) Direct users	256.424	21.93	266.029	24.13	196.759	20.56
4) Other oil traders	64.528	5.52	12.023	1.09	37.442	3.91
Total	1,169.129	100.00	1,102.532	100.00	956.906	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 2017

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	1,729	7,281.79	6.36	202.52	32.10	3,175.91	47.68	1,396.79	32.11	1,392.22	35.83	833.63	43.80	199.28	51.99	14,482.14	35.92
SHELL	508	2,663.93	1.87	16.87	11.74	660.84	9.92	478.18	10.99	489.91	12.61	277.22	14.57	0.00	0.00	4,586.95	11.38
ESSO	543	3,213.73	2.00	6.17	14.17	760.76	11.42	635.93	14.62	491.07	12.64	180.99	9.51	0.00	0.00	5,288.64	13.12
CHEVRON	363	1,678.01	1.34	72.57	7.40	1,015.34	15.24	369.12	8.49	278.45	7.17	43.76	2.30	0.00	0.00	3,457.24	8.57
BANGCHIAK	1,093	3,035.17	4.02	0.00	13.38	792.00	11.89	576.49	13.25	566.31	14.58	373.80	19.64	171.78	44.81	5,515.55	13.68
SUSCO	220	288.01	0.81	34.42	1.27	256.42	3.85	73.54	1.69	72.76	1.87	5.67	0.30	3.36	0.88	734.18*	1.82
Others	22,731	4,526.04	83.61	118.08	19.95	-	0.00	819.84	18.85	594.65	15.30	188.18	9.89	8.92	2.33	6,255.71	15.52
Total	27,187	22,686.69	100.00	450.62	100.00	6,661.27	100.00	4,349.87	100.00	3,885.36	100.00	1,903.25	100.00	383.34	100.00	40,320.40	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, 2017, there were 220 service stations using the Company's trademark, representing approximately 0.81 % of the total service stations in the country, and having a market share of around 1.82% 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	2017	2016	2015
1. High speed diesel fuel	397,220	400,081	413,922
2. Benzene (Octane 95)	41,367	44,345	46,999
3. Benzene (Octane 91)	297,114	244,389	195,866
4. Gasohol 95	73,532	66,031	54,568
5. Gasohol 91	72,918	79,799	80,202
6. Gasohol E 20	5,657	3,813	-
7. Gasohol E 85	2,966	3,551	-
8. Jet fuel	256,424	235,368	143,862
9. Lubricating oil	0.162	0.155	0.134
10. Liquefied petroleum gas	5,398	5,345	6,511
11. Natural gas*	16,311	19,599	14,725
12. Bunker oil	0.060	0.060	0.090
Total sales volume	1,169,129	1,102,536	956,906

* Unit: Million Kilograms

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	Ratburana Depot (mean)			Surat Thani Depot (mean)			Songkhla Depot (mean)			Industrial Effluent Standard
		2017	2016	2015	2017	2016	2015	2017	2016	2015	
1) pH	-	7.5	7.8	7.8	7.2	7.2	7.1	7.2	7.2	7.1	5.5 - 9.0
2) Biochemical Oxygen Demand (BOD)	mg/L	10.9	9.9	7.3	8.9	7.3	5.6	1.9	1.8	2.0	Not exceeding 20
3) Suspended Solids (SS)	mg/L	3.0	6.0	6.5	-	-	6.4	-	-	-	Not exceeding 50
4) Oil and Grease	mg/L	3.0	1.5	1.3	-	-	1.0	-	-	-	Not exceeding 5

3. Risk Factors

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

3.1 Oil Prices Fluctuation

Domestic oil price and oil cost fluctuate following the changes in world market oil prices and exchange rates between USD and Thai Baht, where Singapore is considered a trading hub in South East Asia. At the current market situation, there is a high volatility in world oil prices in terms of both magnitude and size, which mainly contributed from the supply side problems i.e. Material production cut resulted from OPEC agreement and from geopolitical problem among oil producer countries, and ability to swiftly increase or decrease oil production from the US shale gas producers.

Thus, the Company and its subsidiaries cope with such risks by closely monitoring the world market oil price movement and its trend so as to come up with effective purchasing plans and optimum inventory levels to ensure that the product cost is kept low at a competitive level.

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 2017, 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 of 0.61. Most of the liabilities were loans from banks to purchase service stations. As at the end of 2017, the Company had a current ratio of 1.11 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 650 - 3 - 36.90 Rai, and the unutilized part, having a total area of 253 - 2 - 60.70 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, 2017, were approximately Baht 3,428 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 1,112 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; 5 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, 2017:

Unit: Million Baht

Category	Cost	Net Book Value ⁽¹⁾
<u>Land, Plant and Equipment - in use</u> ⁽²⁾		
Land	989.75	970.21
Service station buildings and improvement portions	1,030.26	264.82
Oil depots, oil tanks, fuel dispensers, operating equipment, electrical systems, etc.	737.83	184.13
Office decoration and equipment	71.56	24.15
Vehicles	45.25	8.62
Other construction work	10.20	10.20
Total	2,884.85	1,462.13
<u>Investment Properties</u> ⁽³⁾		
Land	603.80	538.53
Service stations	1,274.94	347.75
Total	1,878.74	886.28

4.1.2 Details of Important Fixed Assets as at December 31, 2017 were as follows :

Description	Size/Quantity
1, Land	
1.1 Land on which Ratburana Oil Depot, Bang Pakok Subdistrict, Raturana District, Bangkok Metropolis was located ⁽⁴⁾	0 - 3 - 75 Rai
1.2 Land on which Surat Thani Oil Depot, Bang Kung Subdistrict, Mucang 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	904 - 1 - 97.60 Rai
1.5 Land on which service stations of the Company and its subsidiaries leased from other parties	375 - 0 - 50.32 Rai
2, Fuel trucks	
Fuel tank trucks	5 units

Notes :

- (1) Cost of assets less accumulated depreciation and 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) The Company rented from Crown Property Bureau 6 - 3 - 84.80 Rai, Siam Mongkol Oil Co., Ltd. 1 - 2 - 29.30 Rai, and own 0 - 3 - 75 Rai

4.2 Investment Policy in the subsidiaries and associates

As of December 31, 2017, the Company invested in the following subsidiaries and associates :

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
Subsidiary Companies						
1. Siam Mongkol Oil Co., Ltd.	Selling fuel oils, LPG and operating minimart in service stations	48.00	99.99	47.999	-	SUSCO 99.99%
2. SUSCO Retail Co., Ltd	Selling fuel oils and operating minimart in service stations	12.00	99.99	4,948	-	SUSCO 99.99%
3. Siri Charoen Wattana Co., Ltd.	Operating and managing two natural gas stations	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	-	SUSCO 100.00%
5. SUSCO Retail Property Co., Ltd	Land and petrol stations leasing	100.00				
6. SUSCO Marketing Co., Ltd.	Selling fuel oils and licensing the use of trademark	700.00				
7. SUSCO Property Co., Ltd.	Land and petrol stations	1,340.00				
Associated Companies						
1. Siam Mongkol Marine Co., Ltd.	Oil marine tanker	130.00	18.69	27,399	27,399	SUSCO 18.69%
2. Siam Thananya Marine Co., Ltd.	Oil marine tanker	40.00	18.69			18.69% Indirectly via Siam Mongkol Marine Co., Ltd.



4.3 Assets Assessment

In 2017, the Company had no new asset to evaluate.

5. Legal Dispute

In 2017, 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
Fax. 0-2428-8001 and 0-2427-6270
Website : www.susco.co.th
- : b) Surat Thani Oil Depot
No. 122 Village No. 3, Liang Mucang Road,
Bang Kung Subdistrict, Mucang 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, 14 th 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 2017 were as follows :

- : 1. Mr.Vairoj Jindamaneepitak CPA Registration No. 3565; or
- 2. Mr.Waiyawat Kosamarnchaiyakit CPA Registration No. 6333; or
- 3. Mr.Natthaphong Tantichattanont, CPA Registration No. 8829,
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, 2017.**

Name	Type of Business	Authorized Capital (Baht)	Paid-in Capital (Baht)	Number of Paid-in Capital (share)	Par Value (Baht)	Shareholding (%)	Headquarters Address	Tel.
Subsidiary companies								
1. Siam Mongkol Oil Co., Ltd.	Selling fuel oils, L.P.G and operating minimart in service stations	48,000,000	48,000,000	480,000	100.00	99.99	139 Ratbucana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2428-0029
2. SUSCO Retail Co., Ltd.	Selling fuel oils and operating minimart in service stations	12,000,000	12,000,000	4,000,000	3.00	99.99	139 Ratbucana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2428-0029
3. Sir. Charoen Watan 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, Talingshan 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 Ratbucana 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 Ratbucana 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 Ratbucana 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	Directly holding 0.76% shares and indirectly holding 99.24% shares via SUSCO Dealers Co., Ltd. of the paid-up capital.	139 Ratbucana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2428-0029
Associated Companies								
1. Siam Mongkol Marine Co., Ltd.	Oil marine tanker	130,000,000	130,000,000	13,000,000	10	18.69	139 Ratbucana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2871-3302
2. Siam Thananya Marine Co., Ltd.	Oil marine tanker	40,000,000	40,000,000	4,000,000	10	18.69 Indirectly via Siam Mongkol Marine Co., Ltd.	139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2871-3302

6.2 Other Important Information

In 2017, 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, 2017, 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 18, 2017, the latest date of closing the share register book, were as follows:

Shareholder	Number of Shares Held	%
1. Mr. Mongkol Simaroj	132,900,000	12.08
2. Mr. Chaloemchai Mahakijisiri	117,473,800	10.68
3. Thai NVDR Company Limited	38,491,833	3.50
4. N.C.B.TRUST LIMITED-NORGES BANK 11	32,900,800	2.99
5. Mr. Marvee Simaroj	32,000,000	2.91
6. Mr. Pimuk Simaroj	31,300,000	2.85
7. Miss Ussana Mahakijisiri	29,900,000	2.72
8. CHASE NOMINEES LIMITED	29,715,600	2.70
9. Mr. Thaveechat Jurangkool	24,225,500	2.20
10. Mr. Panus Rungnoppakhunsri	15,990,000	1.45
Total	484,897,533	44.08



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.

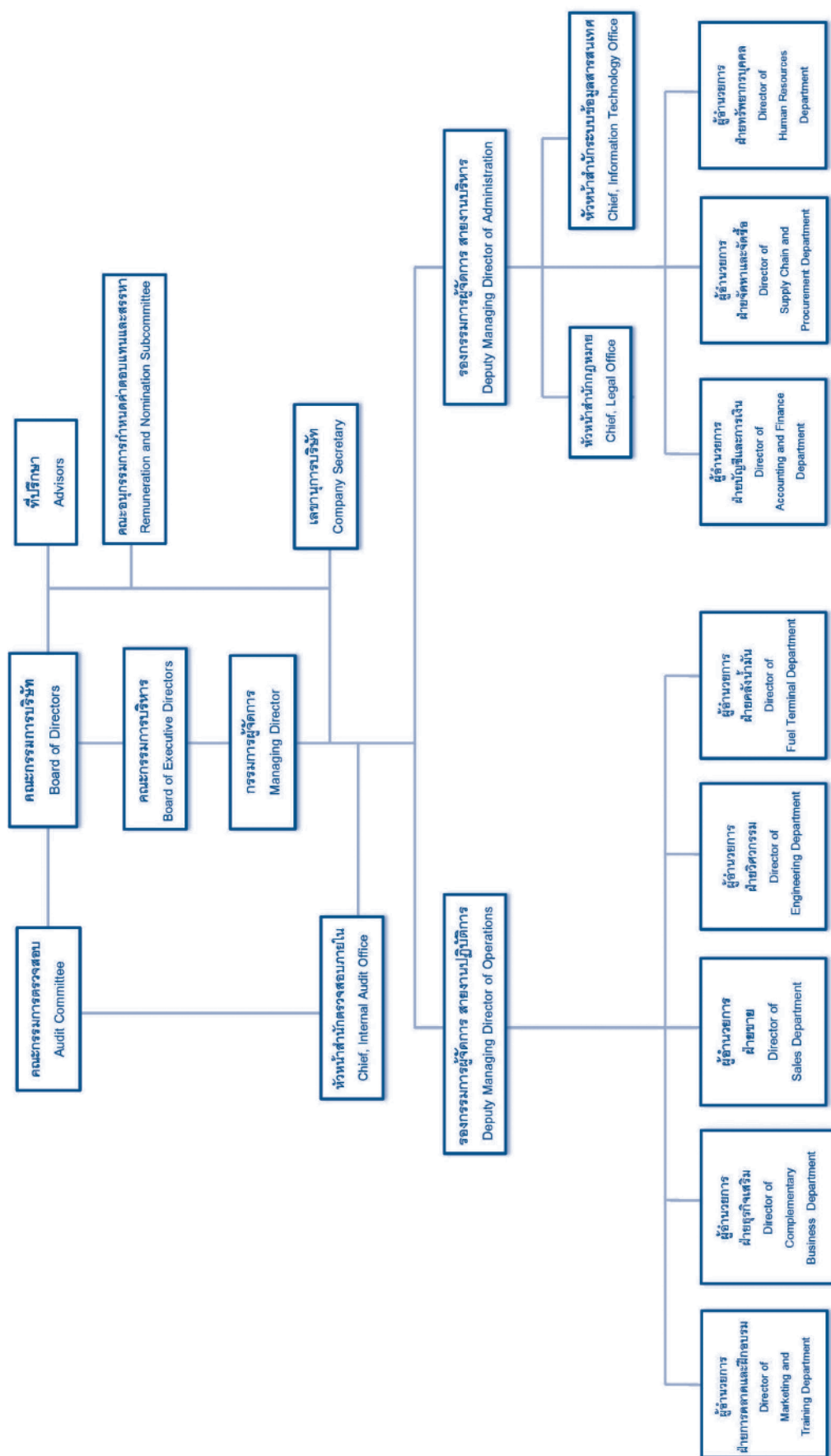
In year 2017, no shareholder exercises his rights. Therefore, as of December 31, 2017, there were 274,977,310 outstanding warrant units.

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, 2017



8.1 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 in the related laws;
- (6) Approving the appointment of the Executive Board to perform duties mentioned in 9.2.1;
- (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, 2017, were as follows :

- | | |
|---------------------------------------|---|
| 1. Mr. Mongkol Simaraj | Chairman |
| 2. Mr. Pimuk Simaraj | Chairman, Board of Executive Directors |
| 3. Mrs. Phuangphet Thaweechaiwat | Independent Director and Audit Committee Chairwoman |
| 4. Mr. Yothin Ari | Independent Director and Audit Committee Member |
| 5. Mr. Prakit Pradipasen | Independent Director and Audit Committee Member |
| 6. Khunyíng Sernsri Bunnag | Independent Director |
| 7. Mr. Sithiphan Sriphen | Independent Director |
| 8. Mr. Narong Chulajata | Director |
| 9. Mr. Noppadol Attavavutichai | Director |
| 10. Pol.Maj.Gen. Dr. Songchai Simaraj | Director |
| 11. Mr. Phongsathon Chatnarat | Executive Director |
| 12. Mr. Pisut Suntichok | Executive Director |
| 13. Mr. Chairit Simaraj | Executive Director and Managing Director |
| 14. Mr. Marvce Simaraj | 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 were as follows :

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



Number of meetings and number of times which each director attended in 2017 were as follows:

No.	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	11/12	-	11/12
2	Mr. Pimuk Simaroj	Elected in April 2015 till the date of 2018 Ordinary General Meeting	12/12	-	12/12
3	Mrs. Phuangphet Thaweechaiwat	Elected in April 2016 till the date of 2019 Ordinary General Meeting	10/12	-	10/12
4	Mr. Yodhin Ari	Elected in April 2015 till the date of 2018 Ordinary General Meeting	8/12	-	8/12
5	Mr. Prakrit Pradipasen	Elected in April 2017 till the date of 2020 Ordinary General Meeting	8/12	-	8/12
6	Khunying Semsri Bunnag	Elected in April 2016 till the date of 2019 Ordinary General Meeting	12/12	-	12/12
7	Mr. Sithiphan Sriphen	Elected in April 2017 till the date of 2020 Ordinary General Meeting	12/12	-	12/12
8	Mr. Narong Chulajata	Elected in April 2016 till the date of 2019 Ordinary General Meeting	12/12	-	12/12
9	Mr. Noppadol Attavavutichai	Elected in April 2017 till the date of 2020 Ordinary General Meeting	11/12	-	11/12
10	Pol.Maj.Gen.Dr. Songchai Simaroj	Elected in April 2016 till the date of 2019 Ordinary General Meeting	8/12	-	8/12
11	Mr. Phongsathon Chatnarat	Elected in April 2015 till the date of 2018 Ordinary General Meeting	10/12	-	10/12
12	Mr. Pisut Suntichok	Elected in April 2016 till the date of 2019 Ordinary General Meeting	10/12	-	10/12
13	Mr. Chairit Simaroj	Elected in April 2017 till the date of 2020 Ordinary General Meeting	12/12	-	12/12
14	Mr. Marvee Simaroj	Elected in April 2017 till the date of 2020 Ordinary General Meeting	12/12	-	12/12

According to the Board of Directors' policy, each Director should attend the Meetings at least 75 percent of total Board of Directors' Meetings.

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 independent directors at least 1/3 of board members, minimum of 3 persons, 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, 2017, five independent directors of the Company were as follows:

1. Mrs. Phuangphet Thaweechaiwat
2. Mr. Yothin Ari
3. Mr. Prakit Pradipasen
4. Khunying Srmsri Bunnag
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, 2017, were as follows:

- | | |
|------------------------------------|--|
| 1. Mr. Chairit Simaroj | Managing Director |
| 2. Mr. Marvec Simaroj | Deputy Managing Director of Operations |
| 3. Mr. Amarin Simaroj | Deputy Managing Director of Administration and Chief Financial Officer |
| 4. Ms. Veerin Simaroj | Company Secretary |
| 5. Mr. Pornchai Veerawongnusorn | Director of Engineering Department |
| 6. Mr. Sunthorn Yurasak | Director of Fuel Terminal Department |
| 7. Mr. Gunpol Nokchan | Director of Sales Department |
| 8. Mr. Thawatchai Booranabunyut | Director of Marketing and Training Department |
| 9. Ms. Mukdawan Rutapichairak | Director of Supply Chain and Procurement Department |
| 10. Ms. Kansinee Sanongchitcharoon | Director of Complementary Business |
| 11. Ms. Kamala Sinthusuwan | Director of Human Resources Department |
| 12. Ms. Petchmalee Vattananiyom | Director of Accounting and Finance Department |



8.3 Company Secretary

The Board of Directors appointed Ms. Veerin Simaroj 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 2017 Ordinary General Meeting, held on April 25, 2017 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, 2017.

In 2017, the total remuneration for 14 Directors was Baht 3,480,000.

The 2017 Ordinary General Meeting also 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, 2017.

In 2017, the total remuneration for the Audit Committee members was Baht 420,000.

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

No.	Name - Surname / Position	Meeting Allowances for 2017			
		Board of Directors	Audit Committee	Remuneration and Nomination Committee	Total
1	Mr. Mongkol Simaroj Chairman	360,000	-	-	360,000
2	Mr. Pimuk Simaroj Chairman, Board of Executive Directors	240,000	-	-	240,000
3	Mrs. Phuangphet Thaweechaiwat Independent Director and Audit Committee Chairwoman	240,000	180,000	-	420,000
4	Mr. Yothin Ari Independent Director and Audit Committee Member	240,000	120,000	-	360,000
5	Mr. Prakit Pradipasen Independent Director and Audit Committee Member	240,000	120,000	-	360,000
6	Khuaying Sornsri Bunnag Independent Director	240,000	-	-	240,000
7	Mr. Sitthiphan Sriphen Independent Director	240,000	-	-	240,000
8	Mr. Narong Chulajata 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	420,000	-	3,900,000

In 2017, the remuneration in the form of salary for 3 Directors who were Executives and 13 Management, totaling 16 persons, was Baht 31,118,366.67



The Company's shares held by Directors and the Management as of December 31, 2017 compared with those of December 31, 2016 were as follows:

Name-Surname	Position	No. of shares held as at December 31, 2017*	No. of shares held as at December 31, 2016*
1. Mr. Mongkol Simaroj	Chairman	134,200,000	131,000,000
Spouse and children under legal age		-	-
2. Mr. Pimuk Simaroj	Chairman, Board of Executive Directors	31,550,000	31,000,000
Spouse and children under legal age		-	-
3. Mrs. Phuangphet Thaweekhaiwat	Independent Director and Audit Committee Chairwoman	114,760	114,760
Spouse and children under legal age		-	-
4. Mr. Yothin Ari	Independent Director and Audit Committee Member	-	-
Spouse and children under legal age		-	-
5. Mr. Prakit Pradipasen	Independent Director and Audit Committee Member	-	-
Spouse and children under legal age		-	-
6. Khunying Semsri Bunnag	Independent Director	3,391,575	3,391,575
Spouse and children under legal age		-	-
7. Mr. Sithiphan Sriphen	Independent Director	15,000	15,000
Spouse and children under legal age		-	-
8. Mr. Narong Chulajata	Director	-	-
Spouse and children under legal age		-	-
9. Mr. Noppadol Atavavutichai	Director	200,000	200,000
Spouse and children under legal age		-	-
10. Pol.Maj.Gen.Dr. Songchai Simaroj	Director	746,330	746,330
Spouse and children under legal age		-	-
11. Mr. Phongsathon Channarat	Executive Director	4,100,000	4,100,000
Spouse and children under legal age		-	-
12. Mr. Pisut Suntichok	Executive Director	-	-
Spouse and children under legal age		-	-
13. Mr. Chairit Simaroj	Executive Director and Managing Director	10,300,000	10,300,000
Spouse and children under legal age		คู่สมรส 3,000,000	คู่สมรส 3,000,000
14. Mr. Marvee Simaroj	Executive Director and Deputy Managing Director of Operations	32,300,000	31,200,000
Spouse and children under legal age		-	-
15. Mr. Amarin Simaroj	Deputy Managing Director of Administration	7,500,000	6,900,000
Spouse and children under legal age		คู่สมรส 80,000	คู่สมรส 80,000
16. Ms. Veerin Simaroj	Company Secretary	14,500,000	13,500,000
Spouse and children under legal age		-	-
17. Mr. Pornchai Veerawongnusorn	Director of Engineering Department	-	-
Spouse and children under legal age		-	-

Name-Surname	Position	No. of shares held as at December 31, 2017*	No. of shares held as at December 31, 2016*
18. Mr. Sunthorn Yurasak	Director of Fuel Terminal Department	-	-
Spouse and children under legal age		-	-
19. Mr. Gumpel Nokchan	Director of Sales Department	1,320,000	1,320,000
Spouse and children under legal age		-	-
20. Mr. Thawatchai Booranabunyt	Director of Marketing and Training Department	-	-
Spouse and children under legal age		-	-
21. Ms. Makkawan Ruttapichairak	Director of Supply Chain and Procurement Department	-	-
Spouse and children under legal age		-	-
22. Ms. Kansinee Sanoungchitharoen	Director of Complementary Business	-	-
Spouse and children under legal age		-	-
23. Ms. Kamala Sintusuan	Director of Human Resources Department	-	-
Spouse and children under legal age		-	-
24. Ms. Petchmalee Vattananiyom	Director of Accounting and Finance Department	-	-
Spouse and children under legal age		-	-

* 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.

In addition, to protect the use of inside information for personal benefit, the Board also has a policy that each Director and executive should suspend from trading Company's shares during one month before the announcement of the results of operations and one day after the announcement.

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 2017, the Company paid Baht 1,946,556 for 19 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, 2017, the Company and its subsidiaries had a total of 1,786 employees, 284 of whom were at headquarters and oil depots and 1,502 were at petrol stations.

In 2017, the Company and its subsidiaries paid remuneration to the employees in the form of salary in the amount of Baht 276,568,177.76 and contributed Baht 7,069,762.80 to the Provident Fund for 501 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 2017 were as follows;

1. Management level 10.00 hours/person
2. Chief level 7.62 hours/person
3. Staff level 6.25 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. Fuel Control Course
4. 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 30, 2017, 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 29, 2017; 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 minute 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 Business Partners and 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@suseco.co.th

Website: www.susco.co.th

Telephone : 0-2428-0029 Ext.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, 2017, 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.

3 of 14 Directors were executive Directors. 11 of 14 Directors were non-executive Directors. 5 of 11 Directors were independent Directors and 3 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 dates and agenda for 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. Each Director should attend the Meetings at least 75 percent of total Board of Directors' Meetings.
 - (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 Subcommittees of the Company consists of 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 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, 2017, consisted of the following persons:

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

9.2.2 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 2017, the Audit Committee had an extraordinary Meeting with the auditors, without the presence of the Management, on November 10, 2017.

The Audit Committee Members, as of December 31, 2017, were as follows:

Name	Position	Number of attendants in comparison with total number of meetings (times)		
		Regular Agenda Meeting	Special Agenda Meeting	Total
1. Mrs. Phuangphet Thaweechaiwat	Chairwoman of the Audit Committee	4/4	2/2	6/6
2. Mr. Yothin Ari	Member of the Audit Committee	3/4	1/2	4/6
3. Mr. Prakrit Pradipasen	Member of the Audit Committee	4/4	2/2	6/6

Mrs. Piyalaks Simasaengyaporn Secretary of the Audit Committee

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

9.2.3 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, 2017, were as follows:

Name	Position	Number of attendants in comparison with total number of meetings (times)
1. Mr. Prakrit Pradipasen	Chairman of the Subcommittee	2/2
2. Khumying Semsri Bunnag	Member of the Subcommittee	2/2
3. Mr. Yothin Ari	Member of the Subcommittee	2/2

Ms. Veerin Simaraj 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 2017, 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 2017 Ordinary General Meeting to re-elect every retiring director and proceed with the election as stated in 9.3.1

The 2017 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 2017, 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 2017, each Director completed the assessment forms and the Corporate Secretary Office reported the results of the assessments in the Board of Directors' Meeting No.12/2560 on December 21, 2017, 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 80.96%.
 - 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 82.97%.
 - 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 83.59%.
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 and Associates

In governing the operations of the subsidiaries and associates the Board of Directors appointed appropriate persons to be Directors or Management of the subsidiaries or associates. 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 or associates 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 or associates 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 2016, starting from January 1 to December 31, as follows:

Unit : Baht

Items	The Company	The Subsidiaries	Total
9.7.1. Audit fee in the amount of	1,710,000	2,090,000	3,800,000
9.7.2. Non - audit fee in the amount	34,740	33,080	67,820
Grand Total			3,867,820

9.8 Anti-Corruption Policy

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 are 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) to (3) mentioned above to the Audit Committee so that they will be considered and, subsequently, reported to the Board of Directors.

In 2016, the Company conducted corruption risk assessment and on November 24, 2016, the Board of Directors' Meeting unanimously resolved to endorse the Anti-Corruption Policy and its guidelines which the Audit Committee had already considered, the details of which are as follows:

The Company will not accept any forms of corruption, neither being a giver nor an acceptor. All employees must not use their position to seek or accept money, service, goods, entertainment, and etc., to obtain undue benefits for businesses, themselves, their families, friends, or acquaintances.

The Company will not support political parties, politicians, or political candidates, whether in monetary or non-monetary, neither direct nor indirect, or any other actions, for business returns.

The Company has established guidelines and procedures for all employees to follow. Directors and executives will, *mutatis mutandis*, have to follow suit.

The Company will regularly review the procedure so that they will comply with changes in related laws.

If employees, executives, or directors violate or act contrary to this policy, they will be subject to disciplinary action under the Company's Working Regulations and/or related laws.

The Company also has a policy not to punish or cause negative result to employees who refuse to corrupt, even such action may hurt the Company to lose its business opportunities. The Anti-Corruption Policy is set as an integral part of employees' performance evaluation.

The Company has already communicated the policies and guidelines to its subsidiaries, associated companies, and other businesses in which the Company has controlling power, and all stakeholders through various communication channels, such as brochures, public relations, E-mail, or on the Company's Website, as well as communicating through orientation and training to educate employees on this matter.

The Internal Audit Office and the Anti-Corruption Working Group will assess corruption risk regularly, at least on an annual basis, to monitor and evaluate the implementation of the policy and to review the procedures to ensure the effectiveness of risk management at all times.



On August 18, 2017, The Company has certified by Thailand's Private Sector Collective Action Coalition Against Corruption and received the said certificate on November 21, 2017

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. Moreover, on August 31, 2017, the Board of Directors' Meeting No. 8/2017 unanimously resolved to apply CG Code to the Company's business context.

The Board of Directors had resolutions on many corporate governance compliance issues; the significant ones are:

- Non-infringement of Intellectual property

The Board realized the importance of non-infringement of intellectual property, or copyright, thus it was stipulated as a part of the policy of using information resources and has already adopted this policy in May, 2016. The person who contravenes this policy will be punished according to the Company's regulations.

- Directorship of Managing Director in other listed companies

The Board of Directors resolved that the Managing Director could hold not more than three directorships in listed companies. To ensure that he would have adequate time devoting for the Company, the Managing Director needs to inform the Board prior to accepting the said directorships.

- Succession Plan

The Board recognized the importance of succession plans of Managing Director and other senior management levels. Hence the Human Resource Department was assigned to work on the succession plans which will be determined, in principle, by the performance, potential, administrative behavior, and readiness of each successor, including necessary and appropriate training and development required to groom the successors according to needs of the respective positions, in case there is a need to facilitate seamless transitions in these positions.

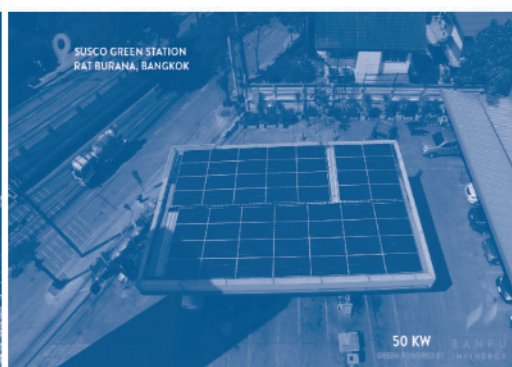
- Innovation

The Board of Directors recognizes the importance of innovation to incorporate into business and society to create more value for the Company and its stakeholders and also to conserve the environment. In the year 2017, the Company initiated various innovation projects, both in terms of internal processes and business continuity as follows:

1. The Company had developed an online paperless document approval program, which can reduce paper usage by about 2,500-3,000 sheets per year and also help collecting digital database of the Company's data approvals systematically.
2. The Company had developed SUSCO Smart Member program which requires only a phone member, not a member card, to accumulate points every time customers refuel. Customers are able to check points via Website: <http://member.susco.co.th/>. Moreover, the Company is also developing the Mobile Application of SUSCO Smart Member.



3. The Company had cooperated with Banpu Infenergy Co., Ltd., one of the subsidiaries of Banpu Public Company Limited, and Nortis Energy Company Limited to install the solar panel system on the roof top of the Company's service stations to use electricity from solar energy, promoting the use of renewable energy in line with government policies. It is expected to install at a total of 100 stations with a capacity of about 10-20 kWh per hour/station.



4. The Company had cooperated with Energy Absolute Public Company Limited or EA to install electric vehicle chargers in the service stations of the Company to provide services to electric car users, which will be more popular in the future.



5. The Company had cooperated with JS100, linking the information of all Company's service stations to appear on JS100 Mobile Application to facilitate customers in finding our service stations.

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 2017 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 scholarships and also give sports equipment to the school where the scholarship grantee study.

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 9 years of the implementation of this Project, the scholarships had been granted to 132 students of the schools located in various regions of the country.



(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.



(3) The Energy and Environment Conservation Campaign Project

Since 2004, the Company and its subsidiaries have implemented the Energy and Environment 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)

(4) Other Social Responsibilities Activities

Apart from the aforementioned continual projects, the Company also provided social supports for various occasions such as sports sponsorships and donations to charity organizations.



On September 25, 2017, the Company donated necessary items at the institution of protection and development of persons with disabilities, Samut Prakan Province.

11. Internal Control and Risk Management

11.1 Opinion of the Board of Directors

The Board of Directors in its Meeting No. 1/2561, held on February 22, 2018, assessed the adequacy of the internal control system of the Company, ended December 31, 2017, 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 measurable, 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 2017, 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 2017, 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 2017: 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 Saelim 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 associates, and related companies and the related companies in 2017 in the total amount of Baht 5.34 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, associates, and 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	2017	2016	2015	2014
Siam Mongkol Marine Co., Ltd.	Shareholding and Having joint directors	18.69	Revenues from oil sales	-	0.08	0.16	-
			Other revenues	1.32	1.45	1.60	1.69
			Transportation	-	0.74	27.81	6.21
			Total	1.32	2.27	29.57	7.90
Siam Thananya Marine Co., Ltd.	Indirectly shareholding via Siam Mongkol Marine Co., Ltd. and having joint directors	18.69	Other revenues	0.14	0.12	-	-
			Transportation	-	0.40	15.74	35.00
			Total	0.14	0.52	15.74	35.00
Siam Truck Service Co., Ltd	Having joint directors	-	Transportation, handling, and repair exp.	2.72	8.73	6.98	6.72
			Other revenues	1.16	1.55	2.12	1.41
			Total	3.88	10.28	9.10	8.13
			Total amount	5.34	13.07	54.41	51.03



Part Three
Financial Statements

13. Significant Financial Information

13.1 Independent Auditor's Report

In 2017, Mr. Vairoj Jindamaneepitak, the auditor of the Company and its Subsidiaries, Certified Public Accountant Registration No. 3565 from KPMG Phoomchai Audit Ltd, reported that :

“(1) I have audited the 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 2017, 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.

In my opinion, the accompanying 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 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Impairment of investment properties, property, plant and equipment and leasehold rights	
Refer to Notes 3 (l), 11 12 and 13.	
The key audit matter	How the matter was addressed in the audit
<p>This is an area of focus in my audit as investment properties, property, plant and equipment and leasehold rights mainly are oil service stations assets which is the Group's key assets. According to the financial reporting standards, the management is responsible for the determination whether there is any indication of impairment at each reporting date. The management considers and uses the related assumptions which focused on the oil service stations with low performance. Those judgements include the forecasting of future cash flows, its extrapolating growth rate and discounted rate used for each cash generating unit.</p>	<p>My audit included the followings procedures:</p> <ul style="list-style-type: none"> ● Evaluation of the reasonableness of impairment indicator with reference to my knowledge of the business, its operating environment, current market situations and other information obtained during the audit and assessment of the recoverable amount of assets. ● Assessing the appropriateness of assumptions used in the recoverable amount assessment with reference to recent performance, historical trend analysis, and tested the mathematical accuracy of the calculations. ● I also considered the adequacy of the disclosures in respect of the impairment testing.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSS, 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.

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

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

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

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



13.2 Comparison of Consolidated Financial Statements

SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31 2017, 2016, 2015 and 2014

Unit : Thousand Baht

Items	2017		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
<i>Current assets</i>								
Cash and cash equivalents	389,737	6.74	412,662	7.54	612,819	11.87	334,026	6.16
Trade accounts receivable	792,641	13.70	654,487	11.96	429,373	8.32	704,781	12.99
Other current receivables	92,971	1.61	139,917	2.56	89,956	1.74	75,778	1.40
Inventories	636,989	11.01	557,528	10.19	476,863	9.24	721,118	13.29
Other current assets	101,928	1.76	90,973	1.66	97,325	1.89	131,283	2.42
Total current assets	2,014,266	34.81	1,855,567	33.92	1,706,336	33.06	1,966,986	36.25
<i>Non-current assets</i>								
Investments in associates	27,399	0.47	28,853	0.53	35,805	0.69	44,821	0.83
Long-term investments	596,310	10.31	462,435	8.45	373,185	7.23	318,998	5.88
Investment properties	886,283	15.32	925,903	16.92	992,603	19.23	1,024,737	18.89
Property, plant and equipment	1,462,126	25.27	1,472,284	26.91	1,324,820	25.67	1,252,325	23.08
Leasehold rights	541,731	9.36	481,587	8.80	522,388	10.12	-	-
Intangible assets	91,071	1.57	92,900	1.70	98,091	1.90	103,762	1.91
Deferred tax assets	23,030	0.40	24,052	0.44	20,597	0.40	20,793	0.38
Other non-current assets	143,722	2.48	127,545	2.33	87,083	1.69	693,263	12.78
Total non-current assets	3,771,672	65.19	3,615,559	66.08	3,454,572	66.94	3,458,699	63.75
Total assets	5,785,938	100.00	5,471,126	100.00	5,160,908	100.00	5,425,685	100.00

SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31, 2017, 2016, 2015 and 2014

Unit : Thousand Baht

Items	2017		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Liabilities and equity								
<i>Current liabilities</i>								
Bank overdrafts and short-term loans								
from financial institutions	230,000	3.98	300,000	5.48	200,000	3.88	16,558	0.31
Trade accounts payable	1,101,051	19.03	991,509	18.12	766,909	14.86	724,203	13.35
Other current payables	208,160	3.60	250,502	4.58	146,144	2.83	113,294	2.09
Current portion of long-term borrowings	179,665	3.11	251,750	4.60	295,750	5.73	342,750	6.32
Current portion of finance lease liabilities	2,534	0.04	3,467	0.06	4,117	0.08	3,219	0.06
Income tax payable	40,428	0.70	20,660	0.38	2,315	0.04	547	0.01
Other current liabilities	45,668	0.79	27,104	0.50	23,246	0.45	31,431	0.58
Total current liabilities	1,807,506	31.24	1,844,992	33.72	1,438,481	27.87	1,232,002	22.71
<i>Non-current liabilities</i>								
Long-term borrowings	150,000	2.59	79,665	1.46	431,415	8.36	1,046,165	19.28
Finance lease liabilities	2,326	0.04	4,062	0.07	5,704	0.11	5,669	0.10
Deferred tax liabilities	146,352	2.53	116,475	2.13	106,512	2.06	98,306	1.81
Non-current provisions for employee benefit	38,725	0.67	31,325	0.57	28,035	0.54	31,067	0.57
Other non-current liabilities	48,702	0.84	43,965	0.80	47,117	0.91	51,437	0.95
Total non-current liabilities	386,105	6.67	275,492	5.04	618,783	11.99	1,232,644	22.72
Total liabilities	2,193,611	37.91	2,120,484	38.76	2,057,264	39.86	2,464,646	45.43



SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31 2017, 2016, 2015 and 2014

Unit : Thousand Baht

Items	2017		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Shareholders' equity								
Share Capital - Par value of Baht 1.00 per share								
Authorized share capital								
- Ordinary shares 1,375,000,000 shares	1,375,000	23.76	1,375,000	25.13	1,375,000	26.64	1,375,000	25.34
Issued and paid-up share capital								
- Ordinary shares 1,100,000,001 shares	1,100,000	19.01	1,100,000	20.11	1,100,000	21.31	1,100,000	20.27
Additional paid-in capital:								
Share premium	45,000	0.78	45,000	0.82	45,000	0.87	45,000	0.83
Share premium on treasury shares	204,339	3.53	204,339	3.73	204,339	3.96	204,339	3.77
Surplus from decreasing share capital by writing off treasury shares	40,122	0.69	40,122	0.73	40,122	0.78	40,122	0.74
Warrants	27,498	0.48	27,498	0.50	27,498	0.53	-	-
Retained earnings								
Appropriated								
Legal reserve	88,894	1.54	75,610	1.38	61,355	1.19	46,784	0.86
Unappropriated	1,784,204	30.84	1,663,609	30.41	1,503,079	29.12	1,443,643	26.61
Other components of shareholders' equity	302,270	5.22	194,464	3.55	122,251	2.37	81,151	1.50
Total shareholders' equity	3,592,327	62.09	3,350,642	61.24	3,103,644	60.14	2,961,039	54.57
Total liabilities and shareholders' equity	5,785,938	100.00	5,471,126	100.00	5,160,908	100.00	5,425,685	100.00

SUSCO Public Company Limited and its Subsidiaries

Statement of changes in equity

For the year ended December 31 2017, 2016, 2015 and 2014

Unit : Thousand Baht

Items	2017	2016	2015	2014
	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	-	-	-	-
Increase during of the year	-	-	-	-
Balance end of the year	-	-	-	-
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	204,339
Surplus from decreasing share capital by writing off treasury shares	40,122	40,122	40,122	40,122
Warrants	27,498	27,498	27,498	-
Retained earnings				
Appropriated				
Legal reserve				
Beginning of the year	75,610	61,355	46,784	44,723
Increase during of the year	13,284	14,255	14,571	2,061
Balance end of the year	88,894	75,610	61,355	46,784
Treasury shares reserve	-	-	-	-
Unappropriated				
Beginning of the year	1,663,609	1,503,079	1,443,643	1,204,922
Impact from changes in accounting policies	-	-	-	(3,157)
Effect from combination business	-	-	-	-
Treasury shares reserve	-	-	-	-
Legal reserve	(13,284)	(14,255)	(14,571)	(2,061)
Dividends	(88,000)	(109,998)	(87,994)	(98,970)
Increase (decrease) during of the year	221,879	284,783	162,001	342,909
Balance end of the year	1,784,204	1,663,609	1,503,079	1,443,643
Other components of equity				
Revaluation surplus	1,100	1,100	1,100	1,100
Impact from changes in accounting policies	(220)	(220)	(220)	(220)
Differences from fair value changes in available-for-sale investments	295,464	188,364	116,964	73,614
Differences from foreign currency translation for foreign operations	-	-	(25)	(25)
Share of other comprehensive income (loss) of investment in associates	5,926	5,220	4,432	6,682
Total	302,270	194,464	122,251	81,151
Total equity	3,592,327	3,350,642	3,103,644	2,961,039



SUSCO Public Company Limited and its Subsidiaries

Statement of comprehensive income

For the year ended December 31 2017, 2016, 2015 and 2014

Unit : Thousand Baht

Items	2017		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues								
Revenues from sale, net	23,095,515	98.59	19,030,179	98.12	19,214,916	97.98	24,508,053	97.13
Dividend income	15,590	0.07	17,268	0.09	9,012	0.05	-	-
Other income	313,832	1.34	346,635	1.79	388,084	1.98	724,524	2.87
Total income	23,424,937	100.00	19,394,082	100.00	19,612,012	100.00	25,232,577	100.00
Expenses								
Cost of sales of goods	21,834,045	93.21	17,854,787	92.06	18,234,225	92.97	23,621,504	93.62
Distribution costs and administrative expenses	1,163,332	4.97	1,177,110	6.07	1,140,644	5.82	1,132,093	4.49
Finance costs	25,820	0.11	38,653	0.20	61,368	0.31	90,689	0.36
Total expenses	23,023,197	98.28	19,070,550	98.33	19,436,237	99.10	24,844,286	98.46
Share of profit (loss) of associates	(2,160)	(0.01)	(7,740)	(0.04)	(4,544)	(0.02)	675	0.00
Profit before income tax expense	399,580	1.71	315,792	1.63	171,231	0.87	388,966	1.54
Tax expense	177,033	0.76	31,010	0.16	16,151	0.08	46,070	0.18
Profit for the year	222,547	0.95	284,782	1.47	155,080	0.79	342,896	1.36
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Gains (losses) on re-measurements of defined benefit plans	(668)	-	1	-	6,921	0.04	13	-
Total items that will not be reclassified to profit or loss	(668)	-	1	-	6,921	0.04	13	-
Items that will be reclassified subsequently to profit or loss								
Exchange differences on translating financial operations	-	-	25	-	-	-	(146)	-
Share of other comprehensive income (loss) of investment in associates	706	-	788	-	(2,250)	(0.01)	777	-
Gains on re-measuring available for sale investments	107,100	0.46	71,400	0.37	43,350	0.22	30,600	0.12
Total items that will be reclassified subsequently to profit or loss	107,806	0.46	72,213	0.37	41,100	0.21	31,231	0.12
Other comprehensive income (loss) for the year, net of tax	107,138	0.46	72,214	0.37	48,021	0.24	31,244	0.12
Total comprehensive income for the year	329,685	1.41	356,996	1.84	203,101	1.04	374,140	1.48
Earnings per share (in Baht)								
Basic earnings per share	0.20	-	0.26	-	0.14	-	0.31	-
Diluted earnings per share	0.20	-	0.26	-	0.14	-	0.31	-

SUSCO Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended December 31 2017, 2016, 2015 and 2014

Unit : Thousand Baht

Items	2017	2016	2015	2014
	Amount	Amount	Amount	Amount
Cash flows from operating activities				
Profit for the year	222,547	284,782	155,080	342,896
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation	138,794	149,288	136,754	186,375
Amortisation	83,557	102,750	110,962	71,828
Bad debt and doubtful debt	1,757	4,448	5,935	1,295
Reversal of allowance for decline in value of refundable withholding tax	-	(10,463)	-	-
Reversal of loss on inventories devaluation	(2,088)	(14,387)	(30,362)	64,135
Provision for employee benefit	7,266	4,817	5,805	1,615
(Reversal of) loss on impairment of assets	(14,398)	41,941	(819)	33,971
Dividend income	(15,590)	(17,268)	(9,012)	(9,996)
(Gain) loss on disposal of property, plant and equipment	12,395	(34,046)	1,615	1,249
Finance costs	25,820	38,653	61,368	90,689
Unrealised (gain) loss on exchange	208	(92)	720	2,062
Gain on sales of trading securities	-	(135)	(308)	-
Gain on sales of long-term investment	-	-	-	(233,883)
Gain on sales of investment in subsidiary	-	-	-	(10,252)
Loss from disposal of investment in associates	-	-	29	-
Share of (profit) loss of associates	2,160	7,740	4,544	(675)
Reversal of provision	-	-	-	(122,125)
Tax expense	177,033	31,010	16,151	46,070
	639,461	589,038	458,462	465,254
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivables	(136,769)	(227,545)	271,554	(3,041)
Other current receivables	46,056	(64,816)	(15,870)	(34,523)
Inventories	(77,373)	(66,278)	274,617	91,785
Other current assets	(10,955)	6,349	53,501	(11,684)
Other non-current assets	(33,304)	(39,417)	(21,330)	37,866
Trade accounts payables	107,103	225,706	41,585	(253,125)
Other current payables	(44,000)	34,215	31,998	35,049
Other current liabilities	18,564	3,858	(8,185)	(1,946)
Non-current provisions for employee benefit	(701)	(1,526)	(186)	(354)
Other non-current liabilities	4,735	(3,150)	(4,321)	(6,614)
Net cash generated from operating	512,817	456,434	1,081,825	318,667
Tax paid	(135,867)	(34,553)	(22,419)	(31,385)
Net cash from operating activities	376,950	421,881	1,059,406	287,282
<i>Cash flows from investing activities</i>				
Proceeds from sale of current investment	-	135	308	-
Dividend received	15,590	17,268	9,012	9,996



SUSCO Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended December 31, 2017, 2016, 2015 and 2014

Unit : Thousand Baht

Items	2017	2016	2015	2014
	Amount	Amount	Amount	Amount
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	-
Acquisition of property, plant and equipment	(109,206)	(169,383)	(177,108)	(246,314)
Proceeds from sale of property, plant and equipment	23,539	44,938	12,223	49,169
Acquisition of intangible assets and leasehold rights	(141,857)	(65,944)	(22,642)	(50,332)
Net cash from (used) in investing activities	(211,934)	(172,986)	(176,014)	228,998
<i>Cash flows from financing activities</i>				
Interest paid	(25,711)	(39,251)	(62,630)	(118,232)
Dividends paid to owners of the company	(87,811)	(109,782)	(87,756)	(98,778)
Repayment of finance liabilities	(2,669)	(4,269)	(3,403)	(3,598)
Proceeds (repayment) from short-term borrowings from financial institutions	(70,000)	100,000	500,500	1,901,686
Repayment for short-term loans from financial institutions	-	-	(317,058)	(2,035,015)
Proceeds from long-term borrowings from financial institutions	300,000	-	-	250,000
Repayment for long-term borrowings from financial institutions	(301,750)	(395,750)	(661,750)	(409,750)
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	-	-	-	-
Net cash used in financing activities	(187,941)	(449,052)	(604,599)	(513,687)
Net increase (decrease) in cash and cash equivalents	(22,925)	(200,157)	278,793	2,593
Cash and cash equivalents at 1 January	412,662	612,819	334,026	331,433
Cash and cash equivalents at 31 December	389,737	412,662	612,819	334,026

13.3 Comparison of Significant Financial Ratios

As of December 31 2017, 2016, 2015 and 2014

Items		2017	2016	2015	2014
Liquidity Ratio					
Current Ratio	(Times)	1.11	1.01	1.19	1.60
Quick Ratio	(Times)	0.65	0.58	0.72	0.84
Cash flow Ratio	(Times)	0.21	0.26	0.79	0.19
Receivable Turnover Ratio	(Times)	31.92	35.12	33.88	34.94
Days to Collect average Accounts receivable	(Days)	11	10	11	10
Inventory Turnover Ratio	(Times)	36.56	34.52	30.44	29.56
Days to Collect average Inventory	(Days)	10	10	12	12
Payable Turnover Ratio	(Times)	20.87	20.31	24.46	27.76
Days to Repayment	(Days)	17	18	15	13
Profitability Ratio					
Gross Profit Rate	(Percent)	5.46	6.18	5.10	3.62
Operating Profit Rate	(Percent)	1.73	1.66	0.89	1.59
Net Profit Rate/Total income	(Percent)	0.95	1.47	0.79	1.36
Cash Rate/Profitability	(Percent)	94.34	133.59	618.70	73.86
Return on Equity Rate	(Percent)	6.41	8.82	5.11	12.14
Net Profit Rate	(Percent)	0.96	1.50	0.81	1.40
Efficiency Ratio					
Return on Assets Ratio	(Percent)	3.95	5.36	2.93	6.09
Return on Fixed Assets Ratio	(Percent)	15.23	18.41	12.70	22.97
Assets Turnover Ratio	(Times)	4.16	3.65	3.71	4.48
Financial Ratio					
Debt to Equity Ratio	(Times)	0.61	0.63	0.66	0.83
Interest Coverage Ratio	(Times)	20.95	12.63	18.27	3.70
Obligations Coverage Ratio	(Times)	0.02	0.02	0.05	0.01
Dividend Payout Ratio	(Percent)	45.54	42.44	30.19	748.05
Data per share					
Book value per share	(Baht)	3.27	3.05	2.82	2.72
Earning per share	(Baht)	0.20	0.26	0.14	0.31

Note : Par value of Baht 1 per share.



14. Management Discussion and Analysis

In 2017, the Thai economy grew at approximately 3.9 %, increased from 3.3 % in 2016, driven by the growth of export sector, tourism sector, and domestic demand, including spending and investment from the government under the Thailand 4.0 policy.

For local oil industry in 2017, the total oil consumption was around 43,148 million litres, an increase of 2.56% or 1,077 million litres from 42,071 million litres of 2016, as a result from ongoing economic, in line with the increase in number of passenger car and motorcycle sales. Although the oil prices have increased, especially in the last quarter of year 2017, they insignificantly affected the domestic oil demand. This could be considered as a good year for retail oil business.

In 2017, the total sales volume of our Group of Companies increased from the preceding year around 6.48 %, which was higher than the average growth of overall domestic oil sales contributed from the expansion of export and aviation fuel. The Company was still able to maintain sales volume of domestic oil, despite the increase of retail oil prices, due to the rolling promotion activities since 2016, for example, the launch of the "SUSCO SMART MEMBER" campaign, the improvement of the Company's image by modernized the service stations to attract more customers, the selection of new business partners, such as Lawson 108, FamilyMart, ChaoDoi coffee, Rabika coffee, B-Quick, BOSCH Car Service, Tyre Plus, Solar Charging Station and Solar Roof, and other related businesses to operate in our service stations, which is resulted in diversification and increase in additional sources of income. In 2017, the Company had 1.82% market share, selling 1,147 million litres of oil, an increase of 70 million litres or 6.48% from 1,077 million litres in 2016.

The total revenue was Baht 23,425 million in 2017, an increase of Baht 4,031 million or 20.78% from Baht 19,394 million of 2016, resulted from higher in both volumes and prices. In the year 2017, the Company has a satisfactory profit from operating income before income tax if there was no special tax liability arising from the income tax expense of 2014-2015, amount Baht 96.21 million, as already notified to the Stock Exchange of Thailand on June 29, 2017, so the net profit of the Company and its subsidiaries was Baht 222.55 million, a decrease of Baht 62.23 million from Baht 284.78 million in 2016.

For 2018, the Thai economy should continue to expand with the same pace as that of 2017. The expansion of the world economy is also supporting the growth of export and tourism sector. Additionally, both public and private investment under the Thailand 4.0 policy and the EEC Special Economic Zone will help supporting Thailand's economic growth. The Company continues to looking forward to growing all business units, especially exporting fuel to the neighboring countries, aviation fuel, and non-oil businesses. In addition, the Company aims to use the technology to help reduce the operation costs in order to generate more returns to the Company's stakeholders.

Financial Condition

As of December 31, 2017, the Company and its subsidiaries had a total of Baht 2,014 million in current assets, Baht 1,808 million in current liabilities, Baht 3,772 million in non-current assets, and Baht 386 million in non-current liabilities. The Company had a total credit line approximately Baht 3,428 million, which sufficiently provide liquidity to the Company and its subsidiaries. In 2017, the Company repaid Baht 302 million worth of long term loan, resulting in the decrease in interest payable. During the year, the Company had renovated service stations, acquiring intangible assets and leasehold rights, in the total amount of Baht 251 million, and had paid Bath 88 million dividends to shareholders.

As of December 31, 2017, the Group of Companies has a very solid financial strength and high ability to repay debt, as shown in the following financial ratios: the current ratio of 1.11, the receivables turnover ratio of 31.92, the inventory turnover ratio of 36.56, and the debt to equity ratio of only 0.61.



This page has been intentionally left blank.

**SUSCO Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2017
and
Independent Auditor's Report



Independent Auditor's Report

To the Shareholders of SUSCO Public Company Limited

Opinion

I have audited the 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 2017, 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.

In my opinion, the accompanying 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 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Impairment of investment properties, property, plant and equipment and leasehold rights	
Refer to Notes 3 (k), 11 12 and 13 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>This is an area of focus in my audit as investment properties, property, plant and equipment and leasehold rights mainly are oil service stations assets which is the Group's key assets. According to the financial reporting standards, the management is responsible for the determination whether there is any indication of impairment at each reporting date. The management considers and uses the related assumptions which focused on the oil service stations with low performance. Those judgements include the forecasting of future cash flows, its extrapolating growth rate and discounted rate used for each cash generating unit.</p>	<p>My audit included the followings procedures:</p> <ul style="list-style-type: none"> • Evaluation of the reasonableness of impairment indicator with reference to my knowledge of the business, its operating environment, current market situations and other information obtained during the audit and assessment of the recoverable amount of assets. • Assessing the appropriateness of assumptions used in the recoverable amount assessment with reference to recent performance, historical trend analysis, and tested the mathematical accuracy of the calculations. • I also considered the adequacy of the disclosures in respect of the impairment testing.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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



(Vairoj Jindamancepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2018

SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2017	2016	2017	2016
		(in thousand Baht)			
Current assets					
Cash and cash equivalents	5	389,737	412,662	172,150	124,691
Trade accounts receivable	4, 6	792,641	654,487	361,091	326,709
Other current receivables	4	92,971	139,917	91,865	117,598
Inventories	7	636,989	557,528	263,132	245,552
Other current assets		101,928	90,973	78,218	75,351
Total current assets		2,014,266	1,855,567	966,456	889,901
Non-current assets					
Investments in associates	8	27,399	28,853	27,399	38,324
Investments in subsidiaries	9	-	-	1,927,217	1,927,217
Long-term investments	10	596,310	462,435	117	117
Investment properties	11	886,283	925,903	90,191	98,358
Property, plant and equipment	12	1,462,126	1,472,284	1,348,048	1,356,944
Leasehold rights	13	541,731	481,587	261,817	143,488
Intangible assets	14	91,071	92,900	12,872	8,611
Deferred tax assets	15	23,030	24,052	17,873	18,315
Other non-current assets		143,722	127,545	133,924	99,483
Total non-current assets		3,771,672	3,615,559	3,819,458	3,690,857
Total assets		5,785,938	5,471,126	4,785,914	4,580,758

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

SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
Liabilities and equity	Note	2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Current liabilities					
Short-term borrowings from financial institutions	16	230,000	300,000	230,000	300,000
Trade accounts payable	4, 17	1,101,051	991,509	1,420,751	1,366,229
Other current payables	18	208,160	250,502	173,533	220,112
Current portion of long-term borrowings	16	179,665	251,750	179,665	251,750
Short-term borrowings from related parties	4, 16	-	-	432,000	352,000
Current portion of finance lease liabilities	16	2,534	3,467	2,534	3,467
Income tax payable		40,428	20,660	25,472	19,882
Other current liabilities		45,668	27,104	7,177	5,348
Total current liabilities		1,807,506	1,844,992	2,471,132	2,518,788
Non-current liabilities					
Long-term borrowings	16	150,000	79,665	150,000	79,665
Finance lease liabilities	16	2,326	4,062	2,326	4,062
Deferred tax liabilities	15	146,352	116,475	-	-
Non-current provisions for employee benefit	19	38,725	31,325	37,974	30,645
Other non-current liabilities		48,702	43,965	-	-
Total non-current liabilities		386,105	275,492	190,300	114,372
Total liabilities		2,193,611	2,120,484	2,661,432	2,633,160

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



SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
Liabilities and equity	Note	2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Shareholders' equity					
Share capital:	20				
Authorised share capital		<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
Share premium	20	45,000	45,000	45,000	45,000
Share premium on treasury shares	21	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
Warrants		27,498	27,498	27,498	27,498
Retained earnings					
Appropriated					
Legal reserve	22	88,894	75,610	88,894	75,610
Unappropriated		1,784,204	1,663,609	617,749	454,149
Other components of shareholders' equity		<u>302,270</u>	<u>194,464</u>	<u>880</u>	<u>880</u>
Total shareholders' equity		<u>3,592,327</u>	<u>3,350,642</u>	<u>2,124,482</u>	<u>1,947,598</u>
Total liabilities and shareholders' equity		<u>5,785,938</u>	<u>5,471,126</u>	<u>4,785,914</u>	<u>4,580,758</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 31 December		For the year ended 31 December	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Revenues					
Revenues from sale, net		23,095,515	19,030,179	15,198,110	12,181,282
Revenues from natural gas station management service		104,999	112,235	67,483	72,096
Rental income		94,925	86,479	93,972	80,987
Franchise income		26,248	27,909	-	-
Dividend income		15,590	17,268	73,783	130,539
Other income	24	87,660	120,012	103,519	138,972
Total revenues		23,424,937	19,394,082	15,536,867	12,603,876
Expenses					
Cost of sales of goods		21,834,045	17,854,787	14,211,169	11,294,665
Distribution costs	25	793,858	784,261	667,390	627,576
Administrative expenses	26	369,474	392,849	316,775	309,516
Finance costs	29	25,820	38,653	31,823	46,082
Total expenses		23,023,197	19,070,550	15,227,157	12,277,839
Share of loss of associates	8	(2,160)	(7,740)	-	-
Profit before income tax expense		399,580	315,792	309,710	326,037
Tax expense	30	177,033	31,010	44,027	40,934
Profit for the year		222,547	284,782	265,683	285,103

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 31 December		For the year ended 31 December	
	Note	2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Other comprehensive income					
<i>Item that will not be reclassified to profit or loss</i>					
Gains (losses) on remeasurements of defined benefit plans		(668)	1	(799)	-
Total items that will not be reclassified to profit or loss		(668)	1	(799)	-
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial operations		-	25	-	-
Share of other comprehensive income of associates	8	706	788	-	-
Gains on remeasuring available for sale investments	10	107,100	71,400	-	-
Total items that will be reclassified subsequently to profit or loss		107,806	72,213	-	-
Other comprehensive income (loss) for the year, net of tax		107,138	72,214	(799)	-
Total comprehensive income for the year		329,685	356,996	264,884	285,103
Earnings per share (in Baht)					
	31				
Basic earnings per share		0.20	0.26	0.24	0.26
Diluted earnings per share		0.20	0.26	0.24	0.26

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														
		Retained earnings				Other components of shareholders' equity								
		Issued and paid up share capital	Share premium	Shares premium on treasury shares	Surplus from decreasing share capital by writing off treasury shares	Warrants	Legal reserve	Unappropriated surplus	Revaluation surplus	Available for sale investments	Transferring financial operations	Share of other comprehensive income (loss) of associates	Total other components of shareholders' equity	
Note								(in thousand Baht)						
For the year ended 31 December 2016														
Balance at 1 January 2016		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
Transactions with owners, recorded directly in equity														
Distributions to owners of the Company														
32	Dividends to owners of the Company	-	-	-	-	-	-	(109,998)	-	-	-	-	-	(109,998)
	Total distributions to owners of the Company	-	-	-	-	-	-	(109,998)	-	-	-	-	-	(109,998)
Total transactions with owners, recorded directly in equity														
Comprehensive income for the year														
	Profit	-	-	-	-	-	-	284,782	-	-	-	-	-	284,782
	Other comprehensive income	-	-	-	-	-	-	1	-	71,400	25	788	72,213	72,214
	Total comprehensive income for the year	-	-	-	-	-	-	284,783	-	71,400	25	788	72,213	356,996
22	Transfer to legal reserve	-	-	-	-	-	14,255	(14,255)	-	-	-	-	-	-
Balance at 31 December 2016		1,100,000	45,000	204,339	40,122	27,498	75,610	1,663,609	880	188,364	-	5,220	194,464	3,350,642

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												
	Retained earnings					Other components of shareholders' equity							
	Issued and paid-up share capital	Share premium	Shares premium on treasury shares	Surplus from decreasing share capital by writing off treasury shares	Warrants	Legal reserve	Unappropriated surplus	Revaluation surplus	Available-for-sale investments	Translating financial operations	Share of other comprehensive income of associates	Total other components of shareholders' equity	
							(in thousand Baht)						
For the year ended 31 December 2017													
Balance at 1 January 2017	1,100,000	45,000	204,339	40,122	27,498	75,610	1,663,609	880	188,364	-	5,220	194,464	3,350,642
Transactions with owners, recorded directly in equity													
Distributions to owners of the Company													
Dividends to owners of the Company	-	-	-	-	-	-	(83,000)	-	-	-	-	-	(83,000)
Total distributions to owners of the Company	-	-	-	-	-	-	(88,000)	-	-	-	-	-	(88,000)
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	(88,000)	-	-	-	-	-	(88,000)
Comprehensive income for the year													
Profit	-	-	-	-	-	-	222,547	-	-	-	-	-	222,547
Other comprehensive income (loss)	-	-	-	-	-	-	(668)	-	107,100	-	706	107,806	107,138
Total comprehensive income for the year	-	-	-	-	-	-	221,879	-	107,100	-	706	107,806	329,685
Transfer to legal reserve	-	-	-	-	-	13,284	(13,284)	-	-	-	-	-	-
Balance at 31 December 2017	1,100,000	45,000	204,339	40,122	27,498	88,894	1,784,204	880	295,464	-	5,926	302,270	3,592,327

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

Statement of changes in equity

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	
<i>Note</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	222,547	284,782	265,683	285,103
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation	138,794	149,288	88,990	89,571
Amortisation	83,557	102,750	16,696	13,920
Bad debt and doubtful debt	1,757	4,448	3,281	1,713
Reversal of allowance for decline in value of refundable withholding tax	-	(10,463)	-	-
Reversal of loss on inventories devaluation	(2,088)	(14,387)	(1,273)	(5,409)
Provision for employee benefit	7,266	4,817	7,031	4,585
Loss on impairment of investment in associate	-	-	10,925	-
(Reversal of) loss on impairment of assets	<i>11, 12, 13</i> (14,398)	41,941	-	15,370
Dividend income	(15,590)	(17,268)	(73,783)	(130,539)
(Gain) loss on disposal of property, plant and equipment	12,395	(34,046)	7,996	(36,729)
Finance costs	25,820	38,653	31,823	46,082
Unrealised (gain) loss on exchange	208	(92)	249	(109)
Gain on sale of trading securities	-	(135)	-	-
Share of loss of associates	2,160	7,740	-	-
Tax expense	177,033	31,010	44,027	40,934
	639,461	589,038	401,645	324,492

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 31 December		For the year ended 31 December	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(136,769)	(227,545)	(34,743)	(119,225)
Other current receivables	46,056	(64,816)	22,581	(56,316)
Inventories	(77,373)	(66,278)	(16,307)	(17,686)
Other current assets	(10,955)	6,349	(2,867)	(23,115)
Other non-current assets	(33,304)	(39,417)	(34,471)	(16,762)
Trade accounts payable	107,103	225,706	54,522	388,169
Other current payables	(44,000)	34,215	(48,562)	34,734
Other current liabilities	18,564	3,858	1,829	960
Non-current provisions for employee benefit	(701)	(1,526)	(701)	(1,526)
Other non-current liabilities	4,735	(3,150)	-	-
Net cash generated from operating	512,817	456,434	342,926	513,725
Tax paid	(135,867)	(34,553)	(37,767)	(22,410)
Net cash from operating activities	376,950	421,881	305,159	491,315
<i>Cash flows from investing activities</i>				
Proceeds from sale of current investment	-	135	-	-
Dividend received	15,590	17,268	73,783	130,539
Acquisition of property, plant and equipment	(109,206)	(169,383)	(92,024)	(153,288)
Proceeds from sale of property, plant and equipment	23,539	44,938	13,680	39,000
Acquisition of intangible assets and leasehold rights	(141,857)	(65,944)	(139,285)	(65,105)
Net cash used in investing activities	(211,934)	(172,986)	(143,846)	(48,854)

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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities</i>				
Interest paid	(25,711)	(39,251)	(31,624)	(46,221)
Dividends paid to owners of the company	(87,811)	(109,782)	(87,811)	(109,782)
Repayment of finance liabilities	(2,669)	(4,269)	(2,669)	(4,203)
Proceeds (repayment) from short-term borrowings from financial institutions	(70,000)	100,000	(70,000)	100,000
Proceeds from long-term borrowings from financial institutions	300,000	-	300,000	-
Repayment of long-term borrowings from financial institutions	(301,750)	(395,750)	(301,750)	(395,750)
Proceeds from short-term borrowings from related parties	-	-	80,000	60,000
Repayment of short-term borrowings from related parties	-	-	-	(100,000)
Net cash used in financing activities	(187,941)	(449,052)	(113,854)	(495,956)
Net increase (decrease) in cash and cash equivalents	(22,925)	(200,157)	47,459	(53,495)
Cash and cash equivalents at 1 January	412,662	612,819	124,691	178,186
Cash and cash equivalents at 31 December	389,737	412,662	172,150	124,691

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



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Note	Contents
1.	General information
2.	Basis of preparation of the financial statements
3.	Significant accounting policies
4.	Related parties
5.	Cash and cash equivalents
6.	Trade accounts receivable
7.	Inventories
8.	Investments in associates
9.	Investments in subsidiaries
10.	Long-term investments
11.	Investment properties
12.	Property, plant and equipment
13.	Leasehold rights
14.	Intangible assets
15.	Deferred tax
16.	Interest-bearing liabilities
17.	Trade accounts payable
18.	Other payables
19.	Non-current provisions for employee benefits
20.	Share capital
21.	Share premium on treasury shares
22.	Reserves
23.	Segment information
24.	Other income
25.	Distribution costs
26.	Administrative expenses
27.	Employee benefit expenses
28.	Expenses by nature
29.	Finance costs
30.	Income tax expense
31.	Earnings per share
32.	Dividends
33.	Financial instruments
34.	Commitments with non-related parties

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

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 authorised for issue by the audit committee, as appointed by the Board of Directors of the Company on 19 February 2018.

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 (20.78% 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 2017 and 2016 are given in notes 4, 8 and 9.

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 2017. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

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 2018 and have not been adopted in the preparation of these financial statements. The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate Company’s 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.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

Items

Available-for-sale investments

Defined benefit liability

Measurement bases

Fair value

Present value of the defined benefit obligation, as explained in Note 3 (o)



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

(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 accounting policies and the 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 note:

Note 8	The Group has de jure and de facto control and significant influence over its investee
--------	--

(ii) Assumptions and estimation uncertainties

Information about assumption and 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 11 12 and 13	Impairment test key assumptions underlying recoverable amounts.
Note 19	Measurement of defined benefit obligations: key actuarial assumptions

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 Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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).

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 11 Investment properties; and
- Note 33 Financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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.



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Interests in associates are accounted for using the equity method. They are initially recognised 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 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.

(c) Derivatives financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational. Most of derivatives held are forward exchange contracts 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.

(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.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

(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.

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.



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

(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 measured 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.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured 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. 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.

Any 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 in profit or loss.

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.

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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.

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) Leasehold rights

Leasehold rights are the rights obtained from the land lease contracts, which are amortised on a straight-line method over the contractual period.

Leasehold rights are presented at cost deducted by accumulated amortisation and impairment losses.

(k) 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.



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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
Trademarks	Contract term
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.

(l) 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.

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.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

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.

(m) 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.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits

Defined contribution plans

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

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.



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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 recognised 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.

(p) 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.

(q) Repurchase of share capital (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, 'Share premium 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.

(r) Revenue

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

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.

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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.

(s) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(t) Lease payments

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.

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.

(u) 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.



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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.

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.

(v) *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.

(w) *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.

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

4 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 8 and 9 as follows:

Name of entities	Types of businesses	Nature of relationships	Percentage of shareholding	
			2017	2016
			(%)	
Subsidiaries:				
Siam Mongkol Oil Co., Ltd.	Trading of fuel, liquefied petroleum gas, lubricants and marts	Major shareholder and common director	99.99	99.99
SUSCO Retail Co., Ltd.	Trading of fuel, liquefied petroleum gas, lubricants and marts	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 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	Indirect shareholding through SUSCO Dealers Co., Ltd. and common directors	100	100
Associates :				
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	-	-



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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

Transactions	Pricing policies
Sales of goods	Market price
Purchase of goods	Market price
Interest income	MOR+1%
Rental income	Contractually agreed price
Management income	Contractually agreed price
Other income and other expense	Contractually agreed price
Interest expense	Contractually agreed rate

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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	42,189	123,313
Purchases of goods	-	-	4,515,442	3,235,231
Rental income	-	-	41,197	40,051
Management income	-	-	40,624	42,340
Dividend income	-	-	73,783	130,539
Other income	-	-	780	277
Other expense	-	-	58,687	63,217
Interest expense	-	-	9,905	11,150
Associates				
Sales of goods	-	79	-	79
Other income	1,460	1,596	1,460	1,596
Other expense	-	1,134	-	1,134
Related parties				
Other income	1,164	1,552	1,164	1,552
Other expense	3,686	10,042	2,719	8,731
Key management personnel				
Key management personnel compensation				
Short-term benefit	51,514	58,050	48,232	58,050
Post-employment benefits and other long-term benefits	2,657	1,043	2,657	1,043
Total	54,171	59,093	50,889	59,093

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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

Trade accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	299	5,793
Total	-	-	299	5,793
Less allowance for doubtful accounts	-	-	-	-
Net	-	-	299	5,793

Other current receivable - related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	18,723	2,074
Associate	8	18	8	18
Related parties	69	114	69	114
Total	77	132	18,800	2,206
Less allowance for doubtful accounts	-	-	-	-
Net	77	132	18,800	2,206

Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	1,024,122	985,250
Related parties	8,087	11,300	7,940	11,194
Total	8,087	11,300	1,032,062	996,444

Borrowings from related parties

	Interest Rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<i>Short-term borrowings</i>						
	1.25 –	2.00 and				
	2.75	2.75				
Subsidiaries			-	-	432,000	352,000
Borrowings from related parties, net			-	-	432,000	352,000



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Short-term borrowings</i>				
Subsidiaries				
At 1 January	-	-	352,000	392,000
Increase	-	-	80,000	60,000
Decrease	-	-	-	(100,000)
At 31 December	-	-	432,000	352,000

The Company entered into short-term borrowings 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 borrowings agreement with SUSCO Dealers Co., Ltd., which is a subsidiary of the Company, amounting to Baht 150 million with interest rate at 2.75% per annum and due on demand.

The Company entered into short-term borrowings agreement with SUSCO Retail Property Co., Ltd., which is a subsidiary of the Company, amounting to Baht 125 million with interest rate at 1.25% and 2.75% per annum and due on demand.

The Company entered into short-term borrowings agreement with SUSCO Property Co., Ltd., which is a subsidiary of the Company, amounting to Baht 120 million with interest rate at 1.25% and 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 2017. 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 2017 and 30 September 2018, and whereby the Company provides advice with regard to the management and administration of the organisation. 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.

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand	36,671	33,034	36,169	32,618
Cash at banks - current accounts	25,552	8,245	21,367	7,581
Cash at banks - savings accounts	327,514	371,383	114,614	84,492
Total	389,737	412,662	172,150	124,691

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	4	-	-	299	5,793
Other parties		806,784	670,685	368,356	328,369
Total		806,784	670,685	368,655	334,162
Less allowance for doubtful accounts		(14,143)	(16,198)	(7,564)	(7,453)
Net		792,641	654,487	361,091	326,709
Bad and doubtful debts expense for the year		1,757	4,448	3,281	1,713

Aging analysis for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	-	-	299	5,793
Overdue:				
Less than 3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-
Over 12 months	-	-	-	-
Total	-	-	299	5,793
Less allowance for doubtful accounts	-	-	-	-
	-	-	299	5,793
Other parties				
Within credit terms	574,324	472,018	198,614	173,092
Overdue:				
Less than 3 months	215,259	179,624	159,790	145,708
3-6 months	643	2,631	412	1,906
6-12 months	2,968	3,267	1,430	192
Over 12 months	13,590	13,145	8,110	7,471
Total	806,784	670,685	368,356	328,369
Less allowance for doubtful accounts	(14,143)	(16,198)	(7,564)	(7,453)
	792,641	654,487	360,792	320,916
Net	792,641	654,487	361,091	326,709



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Finished goods - oil	654,286	576,913	269,770	253,463
Less allowance for decline in value	(17,297)	(19,385)	(6,638)	(7,911)
Net	636,989	557,528	263,132	245,552
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	21,836,133	17,869,174	14,212,442	11,300,074
- Reversal of write-down	(2,088)	(14,387)	(1,273)	(5,409)
Net	21,834,045	17,854,787	14,211,169	11,294,665

As at 31 December 2017, inventories of the Group included the oil reserve, as required by law, which had been deposited at oil companies, totaling Baht 108 million (2016: Baht 95 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.

8 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	28,853	35,805	38,324	38,324
Share of loss from investment in associates	(2,160)	(7,740)	-	-
Share of other comprehensive income (loss) from investment in associates	706	788	-	-
Allowance for impairment	-	-	(10,925)	-
At 31 December	27,399	28,853	27,399	38,324

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Investments in associates as at 31 December 2017 and 2016, and dividend income from those investments for the years then ended, were as follows:

Consolidated financial statements												
Ownership interest (%)	Paid-up capital		Cost		Equity		Impairment		Equity - Net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(in thousand Baht)												
Associates												
Siam Mongkol Marine Co., Ltd.	18.69	18.69	130,000	130,000	53,771	53,771	27,399	28,853	-	-	27,399	28,853
Total					53,771	53,771	27,399	28,853	-	-	27,399	28,853
Separate financial statements												
Ownership interest (%)	Paid-up capital		Cost		Impairment		Cost - net		Dividend income			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016		
(in thousand Baht)												
Associates												
Siam Mongkol Marine Co., Ltd.	18.69	18.69	130,000	130,000	53,771	53,771	(26,372)	(15,447)	27,399	38,324	-	-
Total					53,771	53,771	(26,372)	(15,447)	27,399	38,324	-	-

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Associate

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

	Siam Mongkol Marine Co., Ltd.	
	2017	2016
	<i>(in thousand Baht)</i>	
Revenue	110,961	148,205
Loss for the year	(11,558)	(41,414)
Other comprehensive income (loss)	3,780	4,216
Total comprehensive income (loss)	(7,778)	(37,198)
Attributable to NCI	-	-
Attributable to investee's shareholders	(7,778)	(37,198)
Current assets	14,456	26,557
Non-current assets	227,388	244,136
Current liabilities	(43,188)	(40,691)
Non-current liabilities	(52,058)	(75,627)
Net assets	146,598	154,375
Attributable to NCI	-	-
Attributable to investee's shareholders	146,598	154,375
Group's interest in net assets of investee at 1 January	28,853	35,805
Total comprehensive income (loss) attributable to the Group	(1,454)	(6,952)
Carrying amount of interest in investee at 31 December	27,399	28,853

9 Investments in subsidiaries

	Separate financial statements	
	2017	2016
	<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
For the year ended 31 December 2017

Investments in subsidiaries as at 31 December 2017 and 2016, and dividend income from those investments for each year ended were as follows:

Separate financial statements							
	Ownership interest		Paid-up capital		Cost		Dividend income
	2017	2016	2017	2016	2017	2016	
	(%)		(in thousand Baht)				
<i>Direct subsidiaries</i>							
Siam Mongkol Oil Co., Ltd.	99.99	99.99	48,000	48,000	47,999	47,999	-
SUSCO Retail Co., Ltd.	99.99	99.99	12,000	12,000	4,948	4,948	-
Sirijaroenvattana Co., Ltd.	99.99	99.99	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	73,783
Total					1,927,217	1,927,217	130,539

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

10 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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Available-for-sale securities</i>				
At 1 January	462,187	372,937	-	-
Valuation adjustment	133,875	89,250	-	-
At 31 December	596,062	462,187	-	-
<i>Other long-term investments</i>				
At 1 January	248	248	117	117
Disposals	-	-	-	-
At 31 December	248	248	117	117
Total	596,310	462,435	117	117

11 Investment properties

Depreciation and impairment losses

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	Land	Building, petrol station and oil storage	Land (in thousand Baht)	Building, petrol station and oil storage
<i>Net book value</i>				
At 1 January 2016	538,857	453,746	-	106,766
At 31 December 2016 and 1 January 2017	538,857	387,046	-	98,358
At 31 December 2017	538,527	347,756	-	90,191

The fair value of investment properties as at 31 December 2017 of Baht 1,189 million (2016: Baht 1,194 million) was determined by independent professional valuers, at open market values on an existing use basis. The fair value measurement for investment property has been categorised as a Level 2 and 3 fair value.

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 1,189 million was the fair value of land for Baht 987 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 202 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
For the year ended 31 December 2017

12 Property, plant and equipment

	Consolidated 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
			<i>(in thousand Baht)</i>			
<i>Cost</i>						Total
At 1 January 2016	871,085	933,594	620,062	53,688	51,693	2,531,694
Additions	140,468	41,083	41,928	6,645	2,529	243,630
Recalssification	-	11,387	18,243	407	-	30,037
Transfers	-	5,000	5,060	1,080	-	(11,140)
Disposals	(355)	(8,971)	(6,041)	(346)	(7,073)	-
At 31 December 2016 and 1 January 2017	1,011,198	982,093	679,252	61,474	47,149	2,782,575
Additions	-	39,840	31,481	9,453	1,226	101,694
Transfers	-	10,581	38,275	673	-	(10,906)
Disposals	(21,450)	(2,253)	(11,182)	(38)	(3,120)	(38,043)
At 31 December 2017	989,748	1,030,261	737,826	71,562	45,255	2,884,849
<i>Depreciation and impairment losses</i>						
At 1 January 2016	27,666	661,282	447,536	33,939	36,451	1,206,874
Depreciation charge for the year	-	49,944	31,931	5,700	5,105	92,680
Recalssification	-	9,062	16,668	383	-	26,113
(Reversal) of impairment losses	(8,124)	13,533	819	-	-	6,228
Disposals	-	(8,281)	(5,914)	(336)	(7,073)	(21,604)
At 31 December 2016 and 1 January 2017	19,542	725,540	491,040	39,686	34,483	1,310,291
Depreciation charge for the year	-	42,012	37,722	7,123	5,268	92,125
Recalssification	-	-	36,026	646	-	36,672
Disposals	-	(2,112)	(11,095)	(38)	(3,120)	(16,365)
At 31 December 2017	19,542	765,440	553,693	47,417	36,631	1,422,723

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

	Consolidated 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>Net book value</i>						
At 1 January 2016						
Owned assets	843,419	272,312	172,526	19,749	676	1,310,254
Assets under finance leases	-	-	-	-	14,566	14,566
	843,419	272,312	172,526	19,749	15,242	1,324,820
At 31 December 2016 and 1 January 2017						
Owned assets	991,656	256,553	188,212	21,788	554	1,460,172
Assets under finance leases	-	-	-	-	12,112	12,112
	991,656	256,553	188,212	21,788	12,666	1,472,284
At 31 December 2017						
Owned assets	970,206	264,821	184,133	24,145	1,369	1,454,871
Assets under finance leases	-	-	-	-	7,255	7,255
	970,206	264,821	184,133	24,145	8,624	1,462,126

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 854 million (2016: Baht 602 million).

Security

At 31 December 2017, the Company's properties with a net book value of Baht 739 million (2016: Baht 760 million) were pledged to secure bank loans (see notes 16).

For the year ended 31 December 2017



SUSCO Public Company Limited and its Subsidiaries **Notes to the financial statements** **For the year ended 31 December 2017**

	Separate financial statements					Total
	Land	Building and petrol station	Oil storage, dispensing pump, operating equipment, electricity system, and others	Furniture and fixture	Vehicles	
			<i>(in thousand Baht)</i>			
Net book value						
At 1 January 2016						
Owned assets	832,741	251,208	78,148	18,905	725	1,183,299
Assets under finance leases	-	-	-	-	14,545	14,545
	<u>832,741</u>	<u>251,208</u>	<u>78,148</u>	<u>18,905</u>	<u>15,270</u>	<u>1,197,844</u>
At 31 December 2016 and 1 January 2017						
Owned assets	980,978	237,366	103,204	21,171	704	1,344,832
Assets under finance leases	-	-	-	-	12,112	12,122
	<u>980,978</u>	<u>237,366</u>	<u>103,204</u>	<u>21,171</u>	<u>12,816</u>	<u>1,356,944</u>
At 31 December 2017						
Owned assets	959,528	243,048	103,979	22,466	1,575	1,340,793
Assets under finance leases	-	-	-	-	7,255	7,255
	<u>959,528</u>	<u>243,048</u>	<u>103,979</u>	<u>22,466</u>	<u>8,830</u>	<u>1,348,048</u>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 839 million (2016: Baht 601 million).

Security

At 31 December 2017, the Company's properties with a net book value of Baht 739 million (2016: Baht 760 million) were pledged to secure bank loans (see notes 16).

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

13 Leasehold rights

	<i>Note</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
<i>Cost</i>			
At 1 January 2016		1,359,558	194,917
Additions		71,012	70,173
Reclassification	12	(11,335)	(11,335)
Disposals		(55,061)	(836)
At 31 December 2016 and 1 January 2017		1,364,174	252,919
Additions		132,082	132,082
Disposals		(137,268)	-
At 31 December 2017		1,358,988	385,001
<i>Depreciation and impairment losses</i>			
At 1 January 2016		837,170	97,290
Depreciation charge for the year		92,364	12,410
Reclassification	12	(9,056)	(9,056)
Impairment losses		16,962	9,143
Disposal		(54,853)	(356)
At 31 December 2016 and 1 January 2017		882,587	109,431
Depreciation charge for the year		71,951	13,753
Reversal of impairment losses		(67)	-
Disposal		(137,214)	-
At 31 December 2017		817,257	123,184
<i>Net book value</i>			
At 1 January 2016		522,388	97,627
At 31 December 2016 and 1 January 2017		481,587	143,488
At 31 December 2017		541,731	261,817



SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

14 Intangible assets

	Consolidated financial statements				Separate financial statements		
	Software licenses	Trademarks	Rights to manage natural gas stations	Total (in thousand Baht)	Software licenses	Trademarks	Total
Cost							
At 1 January 2016	88,425	-	120,000	208,425	18,871	-	18,871
Additions	5,195	-	-	5,195	5,195	-	5,195
Disposals	(32,366)	-	-	(32,366)	-	-	-
At 31 December 2016 and 1 January 2017	61,254	-	120,000	181,254	24,066	-	24,066
Additions	7,527	2,250	-	9,777	4,954	2,250	7,204
Disposals	(2,780)	-	-	(2,780)	-	-	-
At 31 December 2017	66,001	2,250	120,000	188,251	29,020	2,250	31,270
Amortisation							
At 1 January 2016	79,080	-	31,254	110,334	13,945	-	13,945
Amortisation charge for the year	3,688	-	6,698	10,386	1,510	-	1,510
Disposals	(32,366)	-	-	(32,366)	-	-	-
At 31 December 2016 and 1 January 2017	50,402	-	37,952	88,354	15,455	-	15,455
Amortisation charge for the year	4,583	325	6,698	11,606	2,618	325	2,943
Disposals	(2,780)	-	-	(2,780)	-	-	-
At 31 December 2017	52,205	325	44,650	97,180	18,073	325	18,398

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

	Consolidated financial statements			Separate financial statements		
	Software licenses	Trademarks	Rights to manage natural gas stations (in thousand Baht)	Software licenses	Trademarks	Total
<i>Net book value</i>						
At 1 January 2016	9,345	-	88,746	4,926	-	4,926
At 31 December 2016 and 1 January 2017	10,852	-	82,048	8,611	-	8,611
At 31 December 2017	13,796	1,925	75,350	10,947	1,925	12,872

On 29 March 2011, the Company 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 11 years 3 months.

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

15 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Total	11,267	21,212	(134,589)	(113,635)
Set off of tax	11,763	2,840	(11,763)	(2,840)
Net deferred tax assets (liabilities)	23,030	24,052	(146,352)	(116,475)

	Separate financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Total	18,093	18,535	(220)	(220)
Set off of tax	(220)	(220)	220	220
Net deferred tax assets	17,873	18,315	-	-

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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

	At 1 January 2017	Consolidated financial statements (Charged) / Credited to:			At 31 December 2017
		Profit (loss)	Other comprehensive income (loss) (in thousand Baht)	Equity	
<i>Deferred tax assets</i>					
Trade accounts receivable	4,276	(675)	-	-	3,601
Long-term investments	711	-	-	-	711
Property, plant and equipment and investment properties	11,162	(10,758)	-	-	404
Employee benefit obligations	5,063	1,321	167	-	6,551
Total	21,212	(10,112)	167	-	11,267
<i>Deferred tax liabilities</i>					
Long-term investments	(69,823)	-	(26,775)	-	(96,598)
Leasehold rights	(43,592)	5,821	-	-	(37,771)
Other non-current assets	(220)	-	-	-	(220)
Total	(113,635)	5,821	(26,775)	-	(134,589)
Net	(92,423)	(4,291)	(26,608)	-	(123,322)

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

	Consolidated financial statements (Charged) / Credited to:			
	At 1 January 2016	Profit (loss)	Other comprehensive income (loss) (in thousand Baht)	Equity
				At 31 December 2016
Deferred tax assets				
Trade accounts receivable	3,944	332	-	4,276
Long-term investments	711	-	-	711
Property, plant and equipment and investment properties	3,632	7,530	-	11,162
Other payables	4,622	(4,622)	-	-
Employee benefit obligations	4,409	654	-	5,063
Total	17,318	3,894	-	21,212
Deferred tax liabilities				
Long-term investments	(51,973)	-	(17,850)	(69,823)
Leaschold rights	(51,040)	7,448	-	(43,592)
Other non-current assets	(220)	-	-	(220)
Total	(103,233)	7,448	(17,850)	(113,635)
Net	(85,915)	11,342	(17,850)	(92,423)

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

	At 1 January 2017	Separate financial statements (Charged) / credited to:			At 31 December 2017
		Profit (loss)	Other comprehensive income <i>(in thousand Baht)</i>	Equity	
<i>Deferred tax assets</i>					
Trade and other accounts receivable	2,241	282	-	-	2,523
Long-term investments	711	-	-	-	711
Property, plant and equipment and investment properties	8,823	(1,299)	-	-	7,524
Leasehold rights	1,829	(891)	-	-	938
Employee benefit obligations	4,931	1,266	200	-	6,397
Total	18,535	(641)	200	-	18,093
<i>Deferred tax liabilities</i>					
Other non-current assets	(220)	-	-	-	(220)
Total	(220)	-	-	-	(220)
Net	18,315	(641)	200	-	17,873

SUSCO Public Company Limited and its Subsidiaries **Notes to the financial statements** **For the year ended 31 December 2017**

	Separate financial statements (Charged) / credited to:				At 1 January 2016	At 31 December 2016
	Profit (loss)	Other comprehensive income (in thousand Baht)	Equity			
<i>Deferred tax assets</i>						
Trade and other accounts receivable	(157)	-	-	2,398		2,241
Long-term investments	-	-	-	711		711
Property, plant and equipment and investment properties	1,246	-	-	7,577		8,823
Leasehold rights	1,829	-	-	-		1,829
Other payables	(3,709)	-	-	3,709		-
Employee benefit obligations	611	-	-	4,320		4,931
Total	(180)	-	-	18,715		18,535
<i>Deferred tax liabilities</i>						
Other non-current assets	-	-	-	(220)		(220)
Total	-	-	-	(220)		(220)
Net	(180)	-	-	18,495		18,315

Deferred tax asset arising from unrecognised temporary difference which have not been recognised of 31 December 2017, were tax losses amounting to Baht 209 million, which will be expired in the year 2017, 2018, 2019, 2020 and 2021 totaling Baht 125 million, Baht 53 million, Baht 13 million, Baht 9 million and 9 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
For the year ended 31 December 2017

16 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Current					
Short-term loans from financial institutions					
Unsecured		230,000	300,000	230,000	300,000
Short-term loans from related parties					
Unsecured	4	-	-	432,000	352,000
Current portion of long-term loans from financial institutions					
Secured		179,665	251,750	179,665	251,750
Current portion of finance lease liabilities		2,534	3,467	2,534	3,467
		<u>412,199</u>	<u>555,217</u>	<u>844,199</u>	<u>907,217</u>
Non-current					
Long-term loans from financial institutions					
Secured		150,000	79,665	150,000	79,665
Finance lease liabilities		2,326	4,062	2,326	4,062
		<u>152,326</u>	<u>83,727</u>	<u>152,326</u>	<u>83,727</u>
Total		<u>564,525</u>	<u>638,944</u>	<u>996,525</u>	<u>990,944</u>

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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Within one year	409,665	551,750	841,665	903,750
After one year but within five years	150,000	79,665	150,000	79,665
Total	<u>559,665</u>	<u>631,415</u>	<u>991,665</u>	<u>983,415</u>

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Property	739,409	760,003	739,409	760,000
Cash at banks	10,000	10,000	10,000	10,000
Total	<u>749,409</u>	<u>770,003</u>	<u>749,409</u>	<u>770,000</u>

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



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Details of the Group's long-term borrowings as at 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
The Company:				
1) 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.	79,665	291,415	79,665	291,415
2) Baht 250 million Credit Facility Agreement at interest THBFIX plus 1.90%, payable in quarterly instalments commencing in September 2014.	-	40,000	-	40,000
3) Baht 300 million Credit Facility Agreement at interest THBFIX plus 3.58%, payable in quarterly instalments commencing in September 2017.	250,000	-	250,000	-
Total	329,665	331,415	329,665	331,415

As at 31 December 2017, the unused credit lines are Baht 1,605 million. (2016: 1,559 million).

17 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	4	8,087	11,300	1,032,062	996,444
Other parties		1,092,964	980,209	388,689	369,785
Total		1,101,051	991,509	1,420,751	1,366,229

18 Other payables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Accrued operating expenses	155,502	191,628	129,156	176,032
Deposits and advances received	52,600	58,802	44,356	44,044
Others	58	72	21	36
Total	208,160	250,502	173,533	220,112

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

19 Non-current provisions for employee benefits

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	31,325	28,035	30,645	27,586
Include in profit or loss:				
Current service cost	6,365	4,119	6,148	3,903
Past service cost	76	-	76	-
Interest on obligation	825	698	807	682
	<u>7,266</u>	<u>4,817</u>	<u>7,031</u>	<u>4,585</u>
Included in other comprehensive income				
Actuarial gain (loss)	835	(1)	999	-
	<u>835</u>	<u>(1)</u>	<u>999</u>	<u>-</u>
Other				
Benefit paid	(701)	(1,526)	(701)	(1,526)
	<u>(701)</u>	<u>(1,526)</u>	<u>(701)</u>	<u>(1,526)</u>
At 31 December	<u>38,725</u>	<u>31,325</u>	<u>37,974</u>	<u>30,645</u>

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Demographic assumptions	1,041	-	990	-
Financial assumptions	1,152	-	1,128	-
Experience adjustment	(1,358)	(1)	(1,119)	-
Total	<u>835</u>	<u>(1)</u>	<u>999</u>	<u>-</u>



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(%)		
Discount rate	2.22 - 2.55	2.52 - 3.47	2.25	2.53
Future salary growth	5	5 - 6	5	5
Turnover rate				
Below 31 years	30 - 50	24 - 40	50	39
31 - 40 years	28 - 36	24 - 38	28	26
41 - 50 years	13 - 18	14 - 24	14	14
Above 50 years	-	-	-	-

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2017, the weighted-average duration of the defined benefit obligation was 10 years (2016: 10 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.

At 31 December 2017	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
		(in thousand Baht)		
Discount rate (1% movement)	(3,119)	3,536	(3,062)	3,471
Future salary growth (1% movement)	3,563	(3,205)	3,498	(3,146)
Turnover rate (1% movement)	(3,334)	942	(3,272)	926

At 31 December 2016	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
		(in thousand Baht)		
Discount rate (1% movement)	(2,371)	3,100	(2,702)	3,067
Future salary growth (1% movement)	3,493	(3,114)	3,457	(3,081)
Turnover rate (1% movement)	(2,935)	823	(2,903)	814

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
For the year ended 31 December 2017

20 Share capital

	Par value per share (in Baht)	Consolidated / Separate financial statements			
		2017		2016	
		Number	Baht	Number	Baht
(thousand shares / thousand Baht)					
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>
At 31 December					
- ordinary shares	1	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
At 31 December					
- ordinary shares	1	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>

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.

21 Share premium on treasury shares

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

22 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

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.



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Movements in reserves

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

23 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	
	2017	2016
	<i>(in thousand Baht)</i>	
Thailand	16,788,057	14,671,347
Cambodia	5,642,252	3,730,149
Myanmar	463,542	357,847
Laos	172,635	223,356
China	29,029	47,480
Total	23,095,515	19,030,179

Major customers

Revenues from a customer in Cambodia of the Group's represents approximately Baht 3,733 million during the year ended 31 December 2017 and another customer in Cambodia during the year ended 31 December 2016 amounted to Baht 1,924 million of the Group's total revenues.

24 Other income

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Management fee	-	-	40,624	42,340
Gain on disposal of property, plant and equipment	-	36,905	-	37,329
Utilities charges	15,518	15,052	15,860	14,959
Reversal loss on impairment of assets	14,398	-	-	-
Gain on exchange rate	9,396	7,263	9,322	5,827
Through-put charge services	7,196	4,633	7,196	4,633
Revenue from sale of beverage	6,032	979	6,032	979
Transportation income	4,325	5,197	3,376	3,902
Interest income	5,140	2,979	3,357	1,542
Others	25,655	47,004	17,752	27,461
Total	87,660	120,012	103,519	138,972

SUSCO Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

25 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Personnel expenses	216,791	208,027	206,569	199,727
Depreciation and amortisation	162,874	195,708	55,676	56,560
Rental expenses	119,948	103,643	136,554	119,702
Transportation expenses	104,290	89,056	103,295	87,738
Utilities and facilities expenses	55,903	54,946	53,989	53,978
Promotion expenses	51,469	52,066	50,361	45,709
Maintenance expenses	18,733	19,841	12,842	12,954
Others	63,850	60,974	48,104	51,208
Total	793,858	784,261	667,390	627,576

26 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Personnel expenses	172,541	172,209	161,951	160,827
Depreciation and amortisation	59,477	56,330	50,010	46,930
Bank charges	24,302	19,810	23,851	19,508
Maintenance expenses	16,373	16,043	15,708	15,513
Loss on disposal of property, plant and equipment	12,395	-	7,996	-
Loss on impairment of investment	-	-	10,925	-
Rental expenses	9,406	16,366	9,162	15,330
Loss on impairment of assets	-	41,941	-	15,370
Others	74,980	70,150	37,172	36,038
Total	369,474	392,849	316,775	309,516

27 Employee benefit expense

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Wages and salaries	296,398	283,483	279,876	268,261
Provident fund	7,077	6,683	6,942	6,531
Others	85,857	90,070	81,702	85,762
Total	389,332	380,236	368,520	360,554



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Defined benefit plans

Details of the defined benefit plans are given in note 19.

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.

28 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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods	(79,461)	(80,665)	(17,580)	(23,095)
Cost of sales of finished goods	21,913,506	17,935,452	14,228,748	11,317,761
Personal expenses	389,332	380,236	368,520	360,554
Depreciation and amortisation	222,351	252,038	105,686	103,490
Rental expenses	129,354	120,009	145,716	135,032
Transportation expenses	104,290	89,056	103,295	87,738
Utilities and facilities expenses	65,569	64,305	61,937	61,645
Promotion expenses	51,469	52,066	50,361	45,709
Maintenance expenses	35,106	35,884	28,550	28,467
Loss on impairment of investment in associate	-	-	10,925	-
Loss on impairment of assets	-	41,941	-	15,370
Others	165,861	141,575	109,176	99,086
Total cost of sales of goods, distribution costs and administrative expenses	22,997,377	19,031,897	15,195,334	12,231,757

29 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Interest expense:					
Related parties	4	-	-	9,905	11,150
Other parties		25,820	38,653	21,918	34,932
Total		25,820	38,653	31,823	46,082

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

30 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
<i>Note</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	80,425	42,352	47,256	40,754
Over provided in prior years	(3,870)	-	(3,870)	-
Additional for prior years	96,187	-	-	-
Total	172,742	42,352	43,386	40,754
Deferred tax				
Movements in temporary differences	15			
	4,291	(11,342)	641	180
	4,291	(11,342)	641	180
Total income tax expense	177,033	31,010	44,027	40,934

Reconciliation of effective tax rate

	Consolidated financial statements			
	2017		2016	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		399,580		315,792
Income tax using the Thai corporation tax rate	20	79,916	20	63,158
Income not subject to tax		(16,312)		(24,796)
Expenses not deductible for tax purposes		26,823		19,647
Utilisation of tax losses		(5,711)		(26,999)
Over provided in prior years		(3,870)		-
Additional for prior years		96,187		-
Total	44.30	177,033	9.82	31,010

	Separate financial statements			
	2017		2016	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		309,710		326,037
Income tax using the Thai corporation tax rate	20	61,942	20	65,207
Income not subject to tax		(17,203)		(30,218)
Expenses not deductible for tax purposes		3,158		5,945
Over provided in prior years		(3,870)		-
Total	14.22	44,207	12.56	40,934



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

31 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>222,547</u>	<u>284,782</u>	<u>265,683</u>	<u>285,103</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>0.20</u>	<u>0.26</u>	<u>0.24</u>	<u>0.26</u>

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2017 and 2016 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	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>222,547</u>	<u>284,782</u>	<u>265,683</u>	<u>285,103</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>222,547</u>	<u>284,782</u>	<u>265,683</u>	<u>285,103</u>
Number of ordinary shares outstanding (basic)	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Effect of exercise of shares options	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Earnings per share (diluted) (in Baht)	<u>0.20</u>	<u>0.26</u>	<u>0.24</u>	<u>0.26</u>

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Currently, the exercise price of the warrants is higher than the average market price of the shares and therefore, the warrants have no dilutive effect on earnings per share.

32 Dividends

On 25 April 2017, the Annual Shareholder's Meeting had resolution to pay dividend of the last half year of 2016 at Baht 0.06 per share, amounting to Baht 66 million, which was paid on 16 May 2017, amounting to Baht 65.83 million.

On 31 August 2017, the Board of Director's Meeting had resolution to pay dividend of the first half year of 2017 at Baht 0.02 per share, amounting to Baht 22 million, which was paid on 29 September 2017, amounting to Baht 19.49 million.

On 28 April 2016, the Annual Shareholder's Meeting had resolution to pay dividend of the last half year of 2015 at Baht 0.05 per share, amounting to Baht 55 million, which was paid on 17 May 2016, amounting to Baht 54.78 million.

On 9 August 2016, the Board of Director's Meeting had resolution to pay dividend of the first half year of 2016 at Baht 0.05 per share, amounting to Baht 55 million, which was paid on 7 September 2016, amounting to Baht 49.53 million.

33 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 loan (Note 16).

The effective interest rates of loans as at 31 December and the periods in which the loans receivable and debt securities mature or re-price are given in note 16.



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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 utilises 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 financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Trade accounts receivable	351,636	224,948	174,568	115,528
Gross balance sheet exposure	351,636	224,948	174,568	115,528
Currency forwards	(98,736)	(111,670)	(98,736)	(111,670)
Net exposure	252,900	113,278	75,832	3,858

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:

SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2017					
Current					
Forward foreign exchange contracts	-	-	98,736	-	98,736
Non-current					
Equity securities available-for-sale	596,062	596,062	-	-	596,062
Separate financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2017					
Current					
Forward foreign exchange contracts	-	-	98,736	-	98,736
Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Current					
Forward foreign exchange contracts	-	-	111,670	-	111,670
Non-current					
Equity securities available-for-sale	462,187	462,187	-	-	462,187
Separate financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Current					
Forward foreign exchange contracts	-	-	111,670	-	111,670

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.



SUSCO Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

34 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	104,644	84,812	75,553	55,720
After one year but within five years	370,423	296,881	263,553	190,050
After five years	636,793	479,555	498,998	341,761
Total	1,111,860	861,248	838,104	587,531
<i>Other commitments</i>				
Bank guarantee	1,592,606	1,517,120	982,606	927,120
Total	1,592,606	1,517,120	982,606	927,120

Significant Agreements

Aviation Fuels Sale Agreements

As at 31 December 2017, 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 2017, 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 2017, the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 3.03 million (equal to Baht 98.74 million) with maturity date in January 2018.

Letter of guarantee from financial institutions

As at 31 December 2017, the Group Company was contingently liable to financial institutions for letters of guarantee issued by the financial institution in the favor of purchasing oil totaling Baht 1,574.12 million.



Anniversary 40th SUSCO Public Company Limited



**ยิ่งเติมมาก
ยิ่งได้คะแนนมาก**

“ง่าย ๆ เพียงแจ้งหมายเลขโทรศัพท์
ก็เป็นสมาชิกกับเราได้แล้ว”



SUSCO Public Company Limited

139 Ratburana Road, Bangpakok,

Ratburana, Bangkok 10140

Tel. 0 2428 0029 Fax. 0 2428 8001

www.susco.co.th

www.facebook.com/SUSCO.fanpage