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Chairman's Message

In 2018, the Thai economy grew around 4.2 %. The economy grew quite well among many risk factors, such as, the gradually decreasing financial liquidity in the global market, the trade war between the United States of America and the People's Republic of China, the increasing interest rates, etc. It was expected that Thai economy will grow around 3.5-4.5% in 2019 while still having the same external factors that will affect the domestic economy. 2019 is the year in which elections will be held again, which is an important factor that needs to pay attention, whether the new government will be stable and the new economic policy will be able to create more confidence or not.

Oil prices in the global market in 2018 have been gradually increased, from the beginning of the year at about 60 USD/BBL (West Texas Intermediate) up to the highest in October at about 74 USD/BBL but the price has fallen heavily during the last 2 months to about 45 USD/BBL, causing stock loss in oil companies. It is estimated that, in 2019, oil prices are likely to gradually increase from the low price base from the end of 2018.

In 2018, our Group of Companies sold 1,258 million liters of oil, increased from 1,147 million liters in 2017, or increased by 9.7 percent. The total revenues were Baht 28,245 million, increased from Baht 23,425 million in 2017 and the net profit was Baht 284 million. Overall performance was still growing well.

For the Company's business in year 2018, domestic oil retail sales were quite stable but the oil export and aviation fuel grew very well. The export grew by 13 percent compared to 2017. It was the first year that the Company export amount was higher than the domestic retail sales, while the sales of aviation fuel also grew at around 23 percent as well. For the year 2019, the Company aims to increase the overall oil sales to grow at around 8 percent. The Company plans to expand 20 additional service stations by continue using the strategy of selecting to open service stations in urbanized locations and building loyal customers.

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.

The Company has SUSCO SMART MEMBER campaign by using the phone number as a membership for accumulating points and redeeming many rewards to motivate customers to come to use the service continuously. The Company has also developed a mobile application, allowing customers to check the accumulated points and receive various information as well.

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 2019, the visions are as follows:

VISIONS:

To be a leading company in energy sector and the related businesses, to grow sustainably and always be ready to deliver quality products and services to serve customers' needs.

MISSIONS:

1) To shareholders

To effectively and efficiently manage the budgets in order to generate appropriate returns and to always adhere to the good governance principles.

2) To employees

To consistently apply innovative and modern knowledge to improve the operations, aiming at enhancing the good working atmosphere while providing job security.

3) To customers

To introduce standardized products and customized services for the diverse needs of the customers.

4) To business partners

To build trust and good cooperation among business partners to strengthen business relationships.

5) To community and society

To engage with the community and society to continuously and sustainably improve the quality of live and environment.

GOALS:

To increase the sales volume in 2019 by approximately 8% from 2018, with the profit in line with the increased sales volume estimated to continuously grow at an average rate of 7 to 10% per annum. Service stations will be expanded to 300 within 3 to 5 years.

STRATEGIES:

The Group recognizes the importance of risk management to control negative factors that may adversely affect the business and operations; transparent and good corporate governance policies shall always be strictly observed.

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 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 April 19, 2018, the Board of Directors’ Meeting No. 4/2018 unanimously resolved to close SUSCO Retail Company Limited since there was no further need to have SUSCO Retail as a vehicle to operate business.

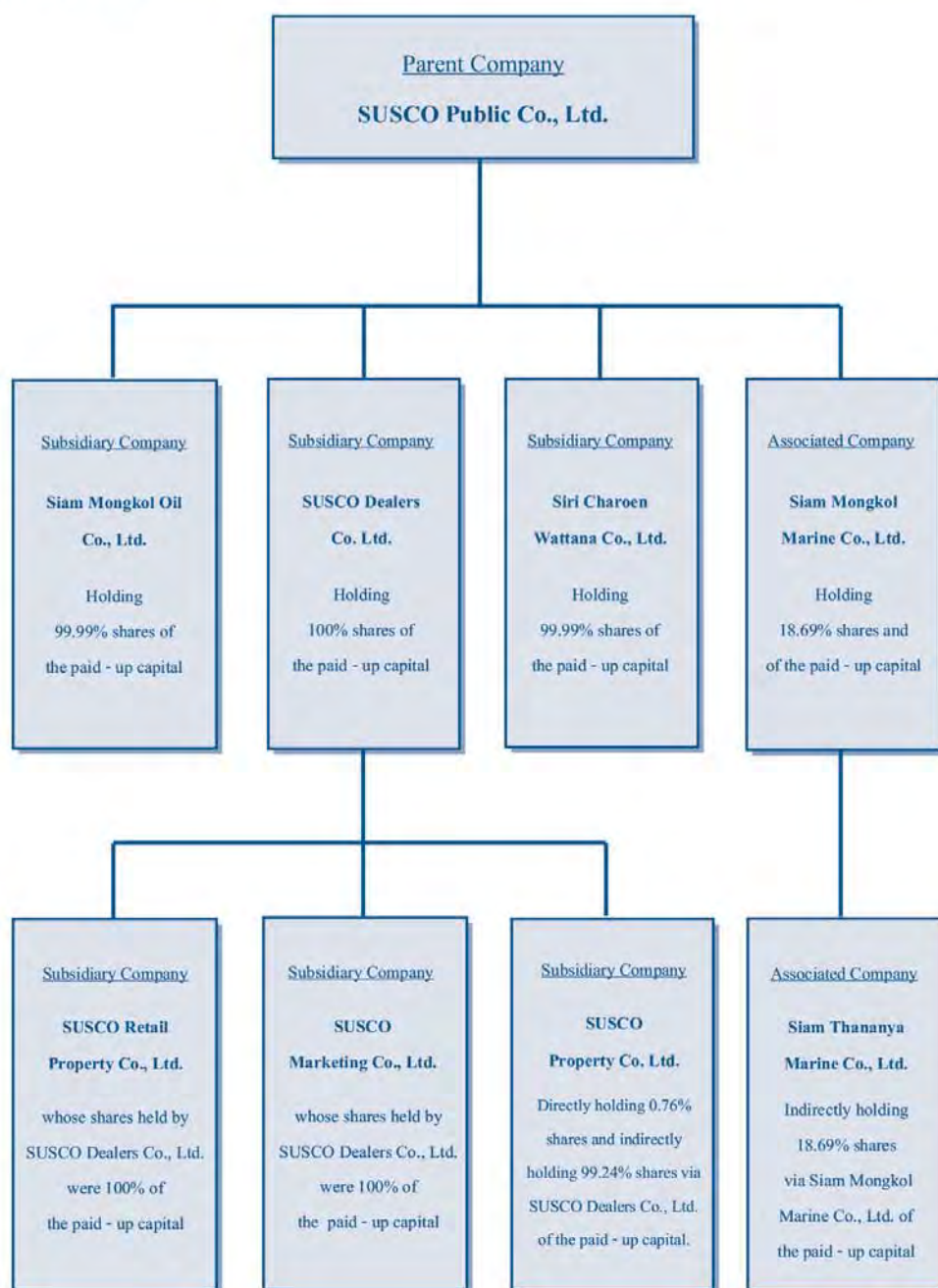
On August 30, 2018, the Board of Directors’ Meeting No. 9/2018 has reviewed the CG Code to apply with the Company’s business context.

As of December 31, 2018, 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 227 petrol stations scattered almost throughout the country; 185 stations were operated by the Company and 42 petrol stations were operated by dealers. 11 LPG stations were leased for operation by Siam Mongkol Oil Co., Ltd., its subsidiary; 9 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; 5 stations were located in the same area of petrol and LPG stations and 5 stations sold only NGV; the remaining 2 NGV stations were operated and managed by Siri Charoen Wattana Co., Ltd., its subsidiary company.

1.3 Shareholding Structures of the Company in its Subsidiaries and Associates, as of December 31, 2018, 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	2018		2017		2016	
			Million Baht	%	Million Baht	%	Million Baht	%
SUSCO PLC (Parent Company)	Selling fuel oils, natural gas, and lubricants	-	18,283.16	52.33	15,536.87	54.58	12,603.88	54.02
SUSCO Retail Co., Ltd. ⁽¹⁾ (Subsidiary Company)	Selling fuel oils and operating mininart in service stations	99.99	0.02	0.00	0.08	0.00	24.20	0.10
Siam Mongkol Oil Co., Ltd. (Subsidiary Company)	Selling fuel oils, LPG and operating mininart in service stations	99.99	2,451.43	7.02	1,099.93	3.86	568.27	2.44
Siri Charoen Wattana Co., Ltd. (Subsidiary Company)	Operating and managing two natural gas stations	99.99	34.38	0.10	39.25	0.14	41.10	0.18
SUSCO Dealers Co., Ltd. (Subsidiary Company)	Selling fuel oils	100.00	13,931.85	39.87	11,537.03	40.53	9,776.87	41.91
SUSCO Retail Property Co., Ltd. (Subsidiary Company)	Land and petrol stations leasing	100% Indirectly via SUSCO Dealers Co., Ltd.	31.74	0.09	35.59	0.13	42.50	0.18
SUSCO Marketing Co., Ltd. (Subsidiary Company)	Selling fuel oils and licensing the use of trademark.	100% Indirectly via SUSCO Dealers Co., Ltd.	35.04	0.10	72.31	0.26	73.24	0.31
SUSCO Property Co., Ltd. (Subsidiary Company)	Land and petrol stations leasing	0.76% Directly and 99.24% indirectly via SUSCO Dealers Co., Ltd.	35.94	0.10	31.96	0.11	40.61	0.17
Siam Mongkol Marine Co., Ltd. (Associated Company)	Oil marine tanker	18.69	106.85	0.31	85.08	0.30	116.49	0.50
Siam Thananya Marine Co., Ltd. (Associated Company)	Oil marine tanker	18.69 Indirectly via Siam Mongkol Marine Co., Ltd.	29.72	0.08	25.91	0.09	42.74	0.18
Total			34,940.13	100.00	28,464.01	100.00	23,329.90	100.00

Remark: ⁽¹⁾ Liquidated on September 11, 2018



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, high speed diesel B20, 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.
- Bangchak 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.



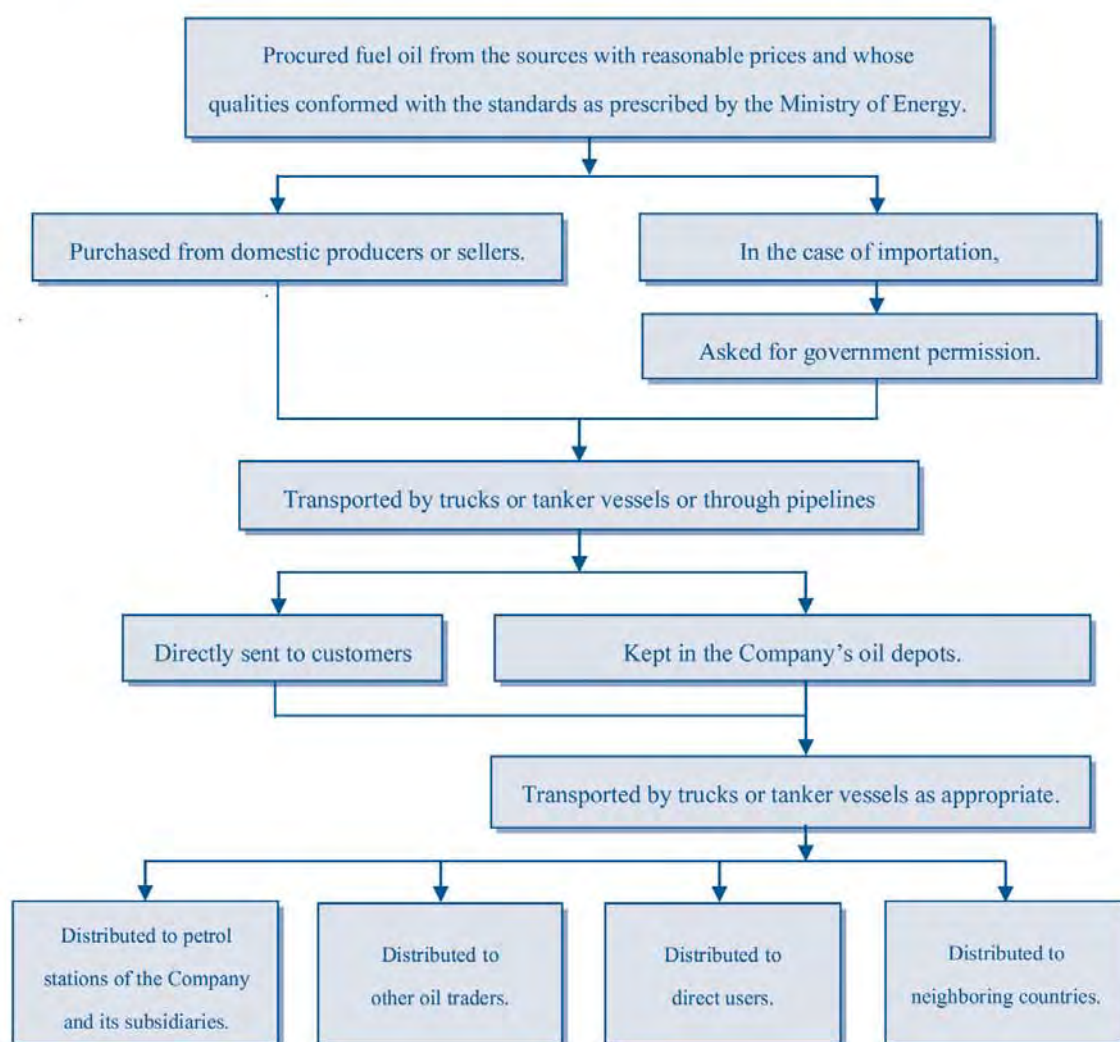
Weaknesses

- 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 2018, there were 227 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	2018		2017		2016	
	Million Liters	%	Million Liters	%	Million Liters	%
1) General users	444.849	34.76	446.779	38.22	498.504	45.21
2) Oil traders in other countries	455.027	35.54	401.398	34.33	325.980	29.57
3) Direct users	316.504	24.72	256.424	21.93	266.029	24.13
4) Other oil traders	63.929	4.98	64.528	5.52	12.023	1.09
Total	1,280.309	100.00	1,169.129	100.00	1,102.532	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 2018

Unit: Million Liters

Company	No. of service stations	%	Volume of Diesel sold	Market Share %	Volume of B20 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	1,826	6.47	4,192.51	18.16	0.13	0.65	103.50	25.99	1,776.27	25.36	785.12	16.57	720.52	19.80	459.68	21.67	114.00	26.10	8,151.74	19.67
SHELL	511	1.81	2,639.82	11.43	0.04	0.20	15.85	3.98	750.04	10.71	545.67	11.51	333.45	9.16	334.17	15.75	0.00	0.00	4,619.04	11.14
ESSO	592	2.10	3,297.52	14.28	-	0.00	0.00	0.00	785.69	11.22	752.46	15.88	506.60	13.92	214.14	10.09	0.00	0.00	5,556.41	13.41
CHEVRON	351	1.24	1,701.70	7.37	-	0.00	61.64	15.48	1,035.79	14.79	375.59	7.93	268.35	7.38	49.78	2.35	0.00	0.00	3,492.84	8.43
BANGCHAK	1,154	4.09	2,958.48	12.81	13.55	70.60	0.00	0.00	732.00	10.45	576.28	12.16	508.94	13.99	388.48	18.31	198.51	45.45	5,376.23	12.97
SUSCO	227	0.80	286.45	1.24	1.34	6.97	29.75	7.47	316.50	4.52	76.32	1.61	65.94	1.81	11.11	0.52	1.35	0.31	788.76	1.90
Others	23,568	83.49	8,012.87	34.70	4.14	21.57	187.49	47.08	1,608.36	22.96	1,627.75	34.35	1,234.61	33.93	664.20	31.31	122.87	28.13	13,462.30	32.48
Total	28,229	100.00	23,089.36	100.00	19.19	100.00	398.24	100.00	7,004.66	100.00	4,739.20	100.00	3,638.40	100.00	2,121.56	100.00	436.73	100.00	41,447.33	100.00

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

As of December 31, 2018, there were 227 service stations using the Company's trademark, representing approximately 0.77 % of the total service stations in the country, and having a market share of around 1.90% 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	2018	2017	2016
1. High speed diesel fuel	411.194	397.220	400.081
2. High speed diesel B20	1.337	-	-
3. Benzene (Octane 95)	33.043	41.367	44.345
4. Benzene (Octane 91)	340.000	297.114	244.389
5. Gasohol 95	76.635	73.532	66.031
6. Gasohol 91	67.492	72.918	79.799
7. Gasohol E 20	11.039	5.657	3.813
8. Gasohol E 85	1.524	2.966	3.551
9. Jet fuel	316.504	256.424	235.368
10. Lubricating oil	0.131	0.162	0.155
11. Liquefied petroleum gas	5.393	5.398	5.345
12. Natural gas*	15.945	16.311	19.599
12. Bunker oil	0.072	0.060	0.060
Total sales volume	1,280.309	1,169.129	1,102.536

* 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			Surat Thani Depot			Songkhla Depot			Industrial Effluent Standard
		(mean)			(mean)			(mean)			
		2018	2017	2016	2018	2017	2016	2018	2017	2016	
1) pH	-	7.4	7.5	7.8	7.5	7.2	7.2	7.3	7.2	7.2	5.5 - 9.0
2) Biochemical Oxygen Demand (BOD)	mg/L	5.4	10.9	9.9	3.9	8.9	7.3	2.0	1.9	1.8	Not exceeding 20
3) Suspended Solids (SS)	mg/L	12.8	3.0	6.0	-	-	-	-	-	-	Not exceeding 50
4) Oil and Grease	mg/L	3.0	3.0	1.5	-	-	-	-	-	-	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 both demand and supply problems. The main factors those inversely affect the demand are the uncertainty in the global economy due to an unpredictable consequences from trade war between United States of America and People's Republic of China, the effect from the United Kingdom leaving the European Union, as well as, the increase in global warming awareness, which ultimately pressured the consumption demand of energy from fossil fuel. Whereas, the supply side are affected by both positively and negatively factors such as the corporation among OPEC producers to significantly truncate the production capacity in order to stabilize the world market crude oil prices, the lack of geopolitical stability among oil producers, Venezuela, in particular, with contribute approximately 1.5 percent of the world crude oil production capacity, and the ability to swiftly increase or decrease crude production output from the United States of America shale oil 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 2018, 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 0.64. Most of the liabilities were loans from banks to purchase service stations. As at the end of 2018, the Company had a current ratio of 1.01 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 655 - 2 - 27.40 Rai, and the unutilized part, having a total area of 257 - 0 - 00.70 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, 2018, were approximately Baht 3,888 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 1,414 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, 2018:

Unit: Million Baht

Category	Cost	Net Book Value ⁽¹⁾
<u>Land, Plant and Equipment - in use</u> ⁽²⁾		
Land	1,059.86	1,040.32
Service station buildings and improvement portions	1,083.08	306.32
Oil depots, oil tanks, fuel dispensers, operating equipment, electrical systems, etc.	781.78	173.16
Office decoration and equipment	77.71	18.55
Vehicles	45.72	6.46
Other construction work	25.93	25.93
Total	3,074.08	1,570.74
<u>Investment Properties</u> ⁽³⁾		
Land	603.80	603.80
Service stations	1,077.63	265.12
Total	1,681.43	868.92

4.1.2 Details of Important Fixed Assets as at December 31, 2018 were as follows :

Description	Size/Quantity
1. Land	
1.1 Land on which Ratburana Oil Depot, Bang Pakok Subdistrict, Raturana District, Bangkok Mertropolis was located ⁽⁴⁾	0 - 3 - 75 Rai
1.2 Land on which Surat Thani Oil Depot, Bang Kung Subdistrict, Mueang District, Surat Thani Province was located	41 - 2 - 13.70 Rai
1.3 Land on which Songkhla Oil Depot, Hua Khao and Sathingmo Subdistricts, Mueng District, Songkhla Province was located	86 - 3 - 79.20 Rai
1.4 Land on which service stations were located and empty land of the Company and its subsidiaries	912 - 2 - 28.10 Rai
1.5 Land on which service stations of the Company and its subsidiaries leased from other parties	301 - 2 - 93.04 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, 2018, 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. Siri Charoen Wattana Co., Ltd.	Operating and managing two natural gas stations	120.00	99.99	120.000	-	SUSCO 99.99%
3. SUSCO Dealers Co., Ltd.	Selling fuel oils	2,364.83	100.00	1,754,270	-	SUSCO 100.00%
4. SUSCO Retail Property Co., Ltd	Land and petrol stations leasing	100.00				
5. SUSCO Marketing Co., Ltd.	Selling fuel oils and licensing the use of trademark.	700.00				
6. 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	21.322	21.322	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 2018, the Company had no new asset to evaluate.

5. Legal Dispute

In 2018, 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 Mueang Road,
Bang Kung Subdistrict, Mueang District,
Surat Thani Province 84000
Tel. 0-7728-5131-3 Fax. 0-7728-5134
- : c) Songkhla Oil Depot
No. 282 Village No. 5, Sathingmo Subdistrict,
Singha Nakhon District, Songkhla Province 90280.
Tel. 0-7433-1034-6 Fax. 0-7433-1039

Securities Registrar : Thailand Securities Depository Co., Ltd.
No.93 The Stock Exchange of Thailand Building,
Tower A, 14th Floors, Ratchadaphisek Road, Dindaeng Subdistrict,
Dindaeng District, Bangkok Metropolis 10400
Tel. 0-2009-9000 Fax. 0-2009-9991

Auditors

Auditors of the Company and its subsidiaries in 2018 were as follows :

- : 1. Mr. Thanawut Piboonsawat, Certified Public Accountant, Registration No. 6699; or
- 2. Miss Potjanarat Siripipat, Certified Public Accountant, Registration No. 9012; or
- 3. Mr. Peradate Pongsathiansak, Certified Public Accountant, Registration No. 4752,
of Dharmniti Auditing Co., Ltd., located at 718 Dharmniti Tower, Fl. 6-7, Soi
Phoemsap (Prachachuen 20), Prachachuen Rd., Bang Sue, Bangkok 10800.
Tel. 0-2596-0500 Fax. 0-2596-0539

**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, 2018.**

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, LPG and operating minimart in service stations	48,000,000	48,000,000	480,000	100.00	99.99	139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2428-0029
2. Siri Charoen Wattan Co., Ltd.	Operating and managing the leased area in natural gas stations	120,000,000	120,000,000	1,200,000	100.00	99.99	105/2 Village 17, Bang Ramad Sub-district, Talingchan District, Bangkok Metropolis 10170.	0-2422-4427
3. SUSCO Dealers Co., Ltd.	Selling fuel oils	2,364,833,150	2,364,833,150	94,593,326	25.00	100.00	139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140..	0-2428-0029
4. SUSCO Retail Property Co., Ltd.	Leasing of lands and petrol stations	100,000,000	100,000,000	1,000,000	100.00	Shares indirectly held via SUSCO Dealers Co., Ltd. at the rate of 100%	139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2428-0029
5. SUSCO Marketing Co., Ltd.	Selling fuel oils and letting the use of trademark license	700,000,000	700,000,000	7,000,000	100.00	Shares indirectly Held via SUSCO Dealers Co., Ltd. at the rate of 100%	139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2428-0029
6. 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 Rathurana 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 Ratburana 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 2018, 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, 2018, 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 August 24, 2018, the latest date of closing the share register book, were as follows:

Shareholder	Number of Shares Held	%
1. Mr. Mongkol Simaroj	136,150,000	12.38
2. Mr. Chaloemchai Mahakijisiri	117,473,800	10.68
3. Thai NVDR Company Limited	37,269,333	3.39
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	34,450,700	3.13
5. N.C.B.TRUST LIMITED-NORGES BANK 11	32,900,800	2.99
6. Mr. Marvee Simaroj	32,800,000	2.98
7. Mr. Pimuk Simaroj	31,700,000	2.88
8. Miss Ussana Mahakijisiri	29,900,000	2.72
9. Mr. Thaveechat Jurangkool	26,239,100	2.39
10. Mr. Panus Rungnoppakhunsri	16,560,000	1.51
Total	495,443,733	45.04

According to the data from the Stock Exchange of Thailand as of March 9, 2018, the percentage of free float was 64.21%

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 2018, no shareholder exercises his rights. Therefore, as of December 31, 2018, there were 274,977,310 outstanding warrant units.

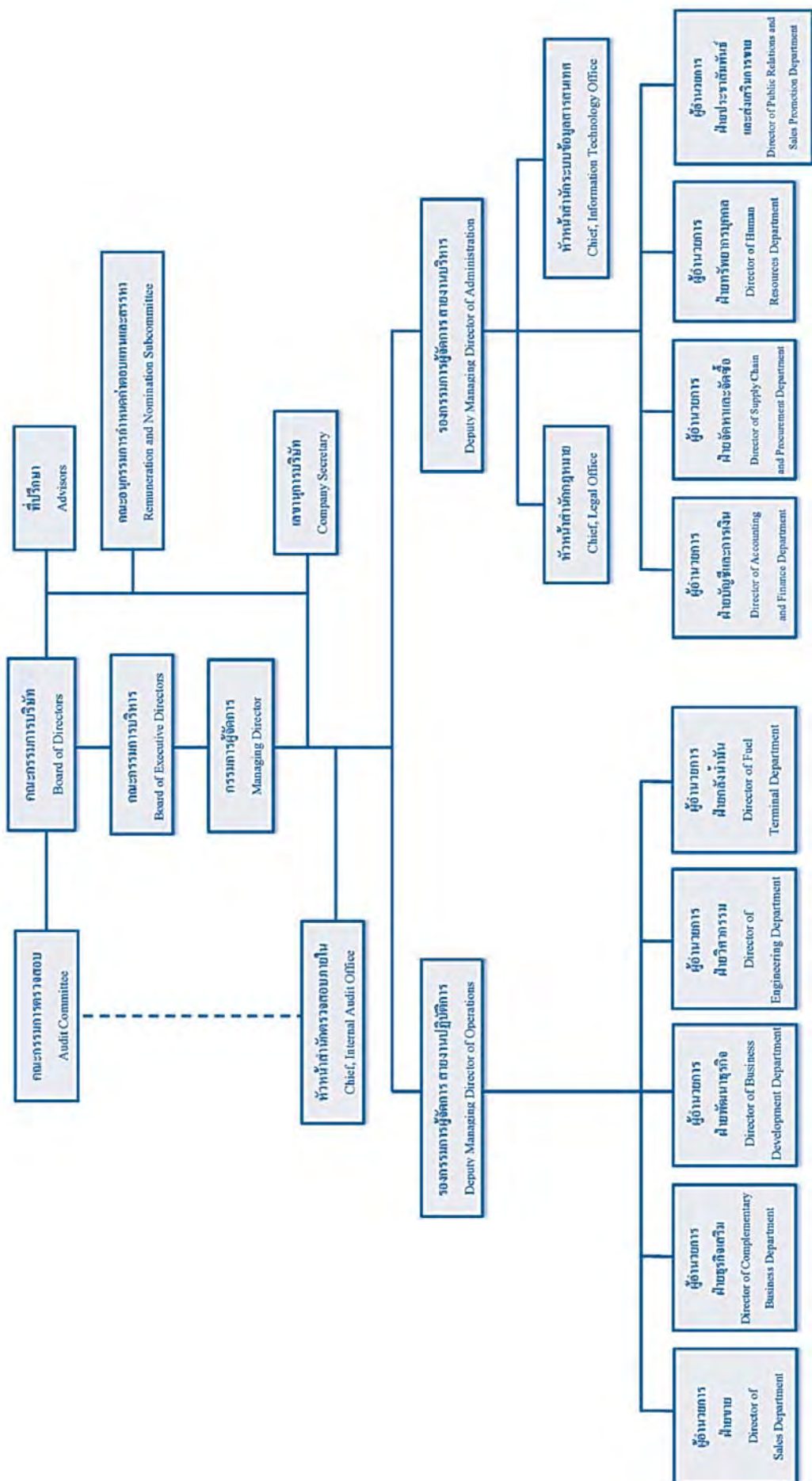
7.4 Dividend Payment Policies of the Company

The Board of Directors of the Company has policy to pay dividends to the shareholders at the rate of not less than 50% of the net profits after taxes of the Consolidated Financial Statements, except when there are necessities to use the funds for business expansions. Such dividend payable shall not exceed the retained earnings of the Company.



8. Organizational Structure

As of December 31, 2018



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 to 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, 2018, were as follows :

- | | |
|----------------------------------|---|
| 1. Mr. Mongkol Simaroj | Chairman |
| 2. Mr. Pimuk Simaroj | Chairman, Board of Executive Directors |
| 3. Mrs. Phuangphet Thaweechaiwat | Independent Director and Audit Committee Chairwoman |
| 4. Mr. Prakit Pradipasen | Independent Director and Audit Committee Member |
| 5. Mr. Sithiphan Sriphen | Independent Director and Audit Committee Member |
| 6. Khunying Sermsri Bunnag | Independent Director |
| 7. Mr. Narong Chulajata | Director |
| 8. Mr. Noppadol Attavavutichai | Director |
| 9. Mr. Phongsathon Chatnarat | Executive Director |
| 10. Mr. Chairit Simaroj | Executive Director and Managing Director |
| 11. Mr. Marvee Simaroj | Executive Director and Deputy Managing Director of Operations |



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

Directors whose signatures were empowered to bind the Company were as follows :

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

Number of meetings and number of times which each director attended in 2018 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
<u>The Board of Directors, as of December 31, 2018</u>					
1	Mr. Mongkol Simaroj	Elected in April 2018 till the date of 2021 Ordinary General Meeting	12/12	1/1	13/13
2	Mr. Pimuk Simaroj	Elected in April 2018 till the date of 2021 Ordinary General Meeting	12/12	1/1	13/13
3	Mrs. Phuangphet Thaweechaiwat	Elected in April 2016 till the date of 2019 Ordinary General Meeting	12/12	2/2	14/14
4	Mr. Prakit Pradipasen	Elected in April 2017 till the date of 2020 Ordinary General Meeting	11/12	2/2	13/14
5	Mr. Sithiphan Sriphen	Elected in April 2017 till the date of 2020 Ordinary General Meeting	12/12	2/2	14/14
6	Khunying Serm Sri Bunnag	Elected in April 2016 till the date of 2019 Ordinary General Meeting	12/12	2/2	14/14
7	Mr. Narong Chulajata	Elected in April 2016 till the date of 2019 Ordinary General Meeting	12/12	1/1	13/13
8	Mr. Noppadol Attavavutichai	Elected in April 2017 till the date of 2020 Ordinary General Meeting	12/12	1/1	13/13
9	Mr. Phongsathon Chatnarat	Elected in April 2018 till the date of 2021 Ordinary General Meeting	11/12	-/1	11/13
10	Mr. Chairit Simaroj	Elected in April 2017 till the date of 2020 Ordinary General Meeting	12/12	1/1	13/13
11	Mr. Marvee Simaroj	Elected in April 2017 till the date of 2020 Ordinary General Meeting	11/12	1/1	12/13
<u>Retired/ Resigned Directors during 2018</u>					
1	Pol.Maj.Gen.Dr. Songchai Simaroj	Resigned on Jan. 31, 2018	1/1	-	1/1
2	Mr. Pisut Suntichok	Resigned on Jan. 31, 2018	1/1	-	1/1
3	Mr. Yothin Ari	Term expired on the date of 2018 Ordinary General Meeting	0/3	-	0/3

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

On December 27, 2018, non-executive directors convened among themselves to discuss the management issues in the interest, without the presence of the Management, and already informed the result of the Meeting to the Managing Director.

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, 2018, four independent directors of the Company were as follows:

1. Mrs. Phuangphet Thaweechaiwat
2. Mr. Prakit Pradipasen
3. Khunying Sermsri Bunnag
4. 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, 2018, were as follows:

- | | |
|-----------------------------------|---|
| 1. Mr. Chairit Simaroj | Managing Director |
| 2. Mr. Marvee Simaroj | Deputy Managing Director of Operations and Acting Director of Business Development Department |
| 3. Mr. Amarin Simaroj | Deputy Managing Director of Administration and Chief Financial Officer |
| 4. Ms. Veerin Simaroj | Company Secretary |
| 5. Mr. Pomchai Veerawongnusorn | Director of Engineering Department |
| 6. Mr. Soonthorn Yurasak | Director of Fuel Terminal Department |
| 7. Mr. Gunpol Nokchan | Director of Sales Department |
| 8. Ms. Mukdawan Ruttapichairak | Director of Supply Chain and Procurement Department |
| 9. Ms. Kansinee Sanongchitcharoen | Director of Complementary Business |
| 10. Ms. Petchmalee Vattananiyom | Director of Accounting and Finance Department |
| 11. Ms. Panyada Vannakovit | Acting Director of Public Relations and Sales Promotion |
| 12. A.SubLT. Dechopol Changkaew | Acting Director of Human Resources 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 2018 Ordinary General Meeting, held on April 19, 2018 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, 2018.

In 2018, the total remuneration for 14 Directors including retired/ resigned Directors during 2018 was Baht 2,880,000.

The 2018 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, 2018.

In 2018, 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 2018			
		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
5	Mr. Prakit Pradipasen Independent Director and Audit Committee Member	240,000	120,000	-	360,000
6	Mr. Sithiphan Sriphen Independent Director and Audit Committee Member	240,000	80,000	-	320,000
7	Khunying Semsri Bunnag Independent Director	240,000	-	-	240,000
8	Mr. Narong Chulajata Director	240,000	-	-	240,000
9	Mr. Noppadol Attavavutichai Director	240,000	-	-	240,000
11	Mr. Phongsathon Chatnarat 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
Retired/ Resigned Directors during 2018*					
1	Mr. Yothin Ari Independent Director and Audit Committee Member	80,000	40,000	-	120,000
2	Pol.Maj.Gen.Dr. Songchai Simaroj Director	20,000	-	-	20,000
3	Mr. Pisut Suntichok Executive Director	20,000	-	-	20,000
Total		2,880,000	420,000		3,300,000

* Pol.Maj.Gen.Dr. Songchai Simaroj and Mr. Pisut Suntichok have resigned on January 31, 2018.

Mr. Yothin Ari's term has expired on the date of 2018 Ordinary General Meeting and Mr. Sithiphan Sriphen replaced his place as an Audit Committee Member.

In 2018, the remuneration in the form of salary for 3 Directors who were Executives and 14 Management, totaling 17 persons, was Baht 31,871,766.67

The Company's shares held by Directors and the Management as of December 31, 2018 compared with those of December 31, 2017 were as follows:

Name-Surname	Position	No. of shares held as at December 31, 2018*	No. of shares held as at December 31, 2017*
1. Mr. Mongkol Simaroj	Chairman	139,600,000	134,200,000
Spouse and children under legal age		-	-
2. Mr. Pimuk Simaroj	Chairman, Board of Executive Directors	32,000,000	31,550,000
Spouse and children under legal age		-	-
3. Mrs. Phuangphet Thaweechaiwat	Independent Director and Audit Committee Chairwoman	114,760	114,760
Spouse and children under legal age		-	-
4. Mr. Prakrit Pradipasen	Independent Director and Audit Committee Member	-	-
Spouse and children under legal age		-	-
5. Mr. Sithiphan Sriphen	Independent Director and Audit Committee Member	15,000	15,000
Spouse and children under legal age		-	-
6. Khunying Serm Sri Bunnag	Independent Director	3,391,575	3,391,575
Spouse and children under legal age		-	-
7. Mr. Narong Chulajata	Director	-	-
Spouse and children under legal age		-	-
8. Mr. Noppadol Attavavutichai	Director	200,000	200,000
Spouse and children under legal age		-	-
9. Mr. Phongsathon Chatnarat	Executive Director	4,400,000	4,100,000
Spouse and children under legal age		-	-
10. Mr. Chairit Simaroj	Executive Director and Managing Director	10,300,000	10,300,000
Spouse and children under legal age		Spouse 3,000,000	Spouse 3,000,000
11. Mr. Marvee Simaroj	Executive Director and Deputy Managing Director of Operations and Acting Director of Business Development Department	32,800,000	32,300,000
Spouse and children under legal age		-	-
12. Mr. Amarin Simaroj	Deputy Managing Director of Administration	8,200,000	7,500,000
Spouse and children under legal age		Spouse 80,000	Spouse 80,000
13. Ms. Veerin Simaroj	Company Secretary	14,500,000	14,500,000
Spouse and children under legal age		-	-
14. Mr. Pornchai Veerawongnusorn	Director of Engineering Department	-	-
Spouse and children under legal age		-	-



Name-Surname	Position	No. of shares held as at December 31, 2018*	No. of shares held as at December 31, 2017*
15. Mr. Soonthorn Yurasak	Director of Fuel Terminal Department	-	-
Spouse and children under legal age		-	-
16. Mr. Gunpol Nokchan	Director of Sales Department	1,320,000	1,320,000
Spouse and children under legal age		-	-
17. Ms. Mukdawan Ruttapichairak	Director of Supply Chain and Procurement Department	-	-
Spouse and children under legal age		-	-
18. Ms. Kansinee Sanongchitcharoen	Director of Complementary Business	-	-
Spouse and children under legal age		-	-
19. Ms. Petchmalee Vattananiyom	Director of Accounting and Finance Department	-	-
Spouse and children under legal age		-	-
20. Ms. Panyada Vannakovit	Acting Director of Public Relations and Sales Promotion	-	-
Spouse and children under legal age		-	-
21. A.SubLT. Dechopol Changkaew	Acting Director of Human Resources 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 2018, the Company paid Baht 1,989,610 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.

In addition, the Company has a policy to consider long-term compensation, by giving special prizes for all employees, from service station staffs to Managing Director, who work with the Company for a long time, which will be divided into criteria according to the number of years that employees continually work for the Company such as 2 years, 5 years, 10 years, and etc.

As at December 31, 2018, the Company and its subsidiaries had a total of 1,828 employees, 287 of whom were at headquarters and oil depots and 1,541 were at petrol stations.

In 2018, the Company and its subsidiaries paid remuneration to the employees in the form of salary in the amount of Baht 297,970,688.57 and contributed Baht 7,772,834.10 to the Provident Fund for 640 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 2018 were as follows;

1. Management level 4.64 hours/person
2. Chief level 5.04 hours/person
3. Staff level 8.90 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, 2018, 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, 2018; 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.
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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@susco.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, 2018, the Company had 11 Directors. 4 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 11 Directors were executive Directors. 8 of 11 Directors were non-executive Directors. 4 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, 2018, consisted of the following persons:

- | | |
|------------------------------|--------------------|
| 1. Mr. Pimuk Simaroj | Chairman |
| 2. Mr. Chairit Simaroj | Executive Director |
| 3. Mr. Phongsathon Chatnarat | Executive Director |
| 4. 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 2018, the Audit Committee had an extraordinary Meeting with the auditors, without the presence of the Management, on February 19, 2018.



The Audit Committee Members, as of December 31, 2018, 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. Prakit Pradipasen	Member of the Audit Committee	4/4	2/2	6/6
3. Mr. Sithiphan Sriphen	Member of the Audit Committee	3/3	-	3/3
Retired/ Resigned Directors during 2018*				
1. Mr. Yothin Ari	Member of the Audit Committee	-/1	-/2	-/3

* Mr. Yothin Ari's term has expired on the date of 2018 Ordinary General Meeting and replaced by Mr. Sithiphan Sriphen.

Mrs. Piyalaks Simasaengyaporn Secretary of the Audit Committee

Mrs. Phuangphet Thaweechaiwat and Mr. Prakit 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, 2018, were as follows:

Name	Position	Number of attendants in comparison with total number of meetings (times)
1. Mr. Prakit Pradipasen	Chairman of the Subcommittee	2/2
2. Khunying Serm Sri Bunnag	Member of the Subcommittee	2/2
3. Mr. Sithiphan Sriphen	Member of the Subcommittee	1/1
Retired/ Resigned Directors during 2018*		
1. Mr. Yothin Ari	Member of the Subcommittee	-/1

* Mr. Yothin Ari's term has expired on the date of 2018 Ordinary General Meeting and replaced by Mr. Sithiphan Sriphen.

Ms. Veerin Simaroj 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 2018, 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, except Mr.Yothin Ari who has expressed his intention not to be nominated for re-election as a Director. As a result, it was proposed to the Board of Directors to present to the 2018 Ordinary General Meeting to re-elect the rest of retiring directors and proceed with the election as stated in 9.3.1

The 2018 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 2018, every retiring director, except Mr.Yothin Ari, 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 2018, each Director completed the assessment forms and the Corporate Secretary Office reported the results of the assessments in the Board of Directors' Meeting No.13/2561 on December 27, 2018, 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 85.51%.
 - 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 84.66%.
 - 1.3 Self-assessment of Individual Directors to evaluate the performance of each Director, consisting of three sections: (1) Board Composition and Qualifications, (2) Performing Duties in the Meetings, (3) Roles, Duties, and Responsibilities of each individual. The results indicated excellent performance with an average score of 87.66%.
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 unduly 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 2018, 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	1,430,000	1,430,000	2,860,000
9.7.2. Non - audit fee in the amount	63,026	22,113	85,139
Grand Total			2,945,139

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.

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

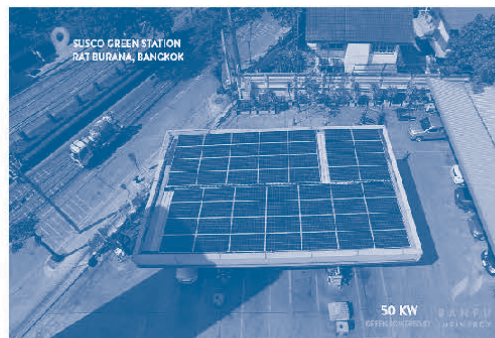
The Board recognized the importance of succession plans of Managing Director and other senior management levels. Hence the Human Resource Department was assigned to work on the succession plans which will be determined, in principle, by the performance, potential, administrative behavior, and readiness 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 2018, 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 3,000-4,000 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 had developed the Mobile Application of SUSCO Smart Member.

1. The Company had cooperated with Banpu Infinergy 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.



2. 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.



3. 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.

Moreover, on August 30, 2018, the Board of Directors' Meeting No. 9/2018 has reviewed to apply more CG Code to the Company's business context.

9. 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 2018 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 10 years of the implementation of this Project, the scholarships had been granted to 144 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)



CSR activity "Fish release & mangrove forest planting"
at the Sirindhorn International Environmental Park

(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 February 21, 2018, the Company donated necessary item and provided lunch at Foundation for the Blind in Thailand and Center for the Blind and Disabled Nakorn Nayok.



On September 21, 2018, the Company donated necessary item, provided lunch, and scholarship and study equipment at Wat Bangkajow Klang.

11. Internal Control and Risk Management

11.1 Opinion of the Board of Directors

The Board of Directors in its Meeting No. 2/2562, held on February 28, 2019, assessed the adequacy of the internal control system of the Company, ended December 31, 2018, based on the report of the Audit Committee, and was of the opinion that the Company already had adequate internal control system which could be summarized as follows:

11.1.1 Organizational Internal Control

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

- (1) **Organizational Structure:** The Company has a clear organizational structure, appropriate for the business operations. It is divided into 2 main lines, namely a) Operations which oversee and direct activities of sales, marketing, engineering, complementary business, business development, and oil depots; b) Administration which oversees and directs activities of finance, accounting, purchasing, law, information technology, and human resources.
- (2) **Business Goals Setting:** The Board of Directors will consider whether the goals in the business operations as set by the Management and the annual revenue and expenditure budgets are clear, practicable, and measureable, and whether all work units can use such budgets as their plans that they have to follow and use them in their work management and control. The plans will be periodically adjusted when there is an event causing significant changes.
- (3) **Ethics Determination:** The Board of Directors determines that every Director, Management, and employee will adhere to the Company's Business Ethics Manual and use it as a guideline for the good corporate governance practices. In the Manual, the Directors, Management, and employees are prohibited from the deeds which may cause conflict of interest with the Company.
- (4) **Financial Transactions:** The Company has prescribed standard operating procedures for the Management and operators of each work unit to follow as guidelines and operational controls in each case by having clear segregation of duties, responsibilities, and authorities to prevent the act or the undue exercise of power.

11.1.2 Management Operational Control

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

- (1) The Board of Directors has prescribed in writing authorities, responsibilities, and approval authorities of the Management by clearly state them in the Management orders.
- (2) Segregation of positions and duties which may facilitate the undue operations; in addition, the Management operating procedures also have clear segregation of authorities and duties of the approval, account entry, and storing of assets;



- (3) Determination of the procedures for connected transactions and transactions made with the related parties will be done for the maximum benefits of the Company in an appropriate and transparent manner to prevent the transferring of benefits. The Management has its duties and responsibilities as assigned by the Company to oversee that such transaction has been hierarchically approved per the guidelines of the Securities and Exchange Commission and The Stock Exchange of Thailand. The interested parties shall not participate in the approval of such transactions. Additionally, supervisory measures are set to prohibit the exploitation of the Company's opportunities for personal benefits.

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

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

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

11.1.3 Information System and Communication

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

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

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

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

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

11.1.4 Follow-up System

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

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

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

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

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

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

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

Matters on Risk Management

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

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



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

In 2018, 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 2018, 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 2018: 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

Ms. Wikanda Wannasiri 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 2018 in the total amount of Baht 5.94 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	2018	2017	2016	2015
Siam Mongkol Marine Co., Ltd.	Shareholding and Having joint directors	18.69	Revenues from oil sales	0.80	-	0.08	0.16
			Other revenues	1.28	1.32	1.45	1.60
			Transportation	-	-	0.74	27.81
			Total	2.08	1.32	2.27	29.57
Siam Thananya Marine Co., Ltd.	Indirectly shareholding via Siam Mongkol Marine Co., Ltd. and having joint directors	18.69	Other revenues	0.14	0.14	0.12	-
			Transportation	-	-	0.40	15.74
			Total	0.14	0.14	0.52	15.74
Siam Truck Service Co., Ltd	Having joint directors	-	Transportation, handling, and repair exp.	2.82	2.72	8.73	6.98
			Other revenues	0.90	1.16	1.55	2.12
			Total	3.72	3.88	10.28	9.10
			Total amount	5.94	5.34	13.07	54.41



Part Three
Financial Statements

13. Significant Financial Information

13.1 Independent Auditor's Report

In 2018, Mr. Thanawut Piboonsawat, the auditor of the Company and its Subsidiaries, Certified Public Accountant Registration No. 6699 from Dharmniti Auditing Company Limited reported that :

“I have audited the consolidated financial statements of Susco Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Susco Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the 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 are those matters that, in my professional judgement, were of most significance in my audit of the consolidated financial statements 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.

- Revenue recognition

The Group and The Company had the revenue from oil sales which is mainly the revenue from oil sales as at the point of sale of many oil stations in the country. In addition, there is also revenue from oil to overseas. Therefore, sales revenue has frequency of occurrence and in many enterprises. The factor of oil price that regularly changes and conditions of various sales promotion, including timing of revenue cut-off of oil service stations and how the method to gather all income to record for accounting directly affect the completeness and accuracy of revenue recognition. I have identified that the completeness and accuracy of revenue recognition is a significant risk which requires special attention in the audit. The accounting policies on revenue recognition and amount of revenue are disclosed in Notes 3.1 and 27, respectively.

Regarding my audit method on such matter, I made an understanding of the internal control system of revenue cycle and related accounting transaction, tested the design and effectiveness of internal controls related to the revenue recognition and related accounting transaction, especially the control of completeness and accuracy of sales revenue record. I also carried out revenue sampling to test the detail and the accuracy of the transaction against related documents and verified the completeness of revenue record. Furthermore, I audited the revenue cut-off from sale before and after the end of the accounting period. I have considered the appropriateness of the information disclosure in the financial statements and notes.

- Impairment of investment property, property plant and, equipment and leasehold rights

Investment property, property plant and, equipment and leasehold rights are mostly assets used in operating the oil service station and are core assets with significance of the Group. Several oil service stations' operating performance does not meet management expectation. The management considered that such information indicates an impairment in the assets used in the oil service station. As regards to consideration of the impairment of such assets, the management has to use significant judgment and set various significant assumptions to test in the assessment of the recoverable amount of the assets. I have identified that the valuation of investment property, property plant and, equipment and leasehold for the assessment of asset impairment is a significant risk that requires special attention in the audit. The accounting policy on asset impairment and the amount of the allowance for asset impairment are disclosed in Notes 3.12, 13, 14 and 15, respectively.



Regarding my audit method on such matter, I made an understanding of the process in considering the asset impairment, identified the cash generating unit and assessed the reasonableness of the identification of asset impairment including assessment of the appropriateness of the assessment method and significant assumption used by the management in assessing the recoverable amount of impaired assets. In addition, I have already considered the accuracy, completeness and appropriateness of information disclosure in the financial statements and related notes.

Other matter

The consolidated financial statements of Susco Public Company Limited and its subsidiaries and separate financial statements of Susco Public Company Limited for the year ended 31 December 2017, presented herewith for comparative information were audited by another auditor who expressed an unqualified opinion on those statements, under his report dated 19 February 2018.

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 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 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 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 financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, 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 Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 Thai Standards on Auditing 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 financial statements and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements 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 financial statements 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 financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements 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 we 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 financial statements 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Thanawut Piboonsawat.

13.2 Comparison of Consolidated Financial Statements

SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31 2018, 2017, 2016 and 2015

Unit : Thousand Baht

Items	2018		2017		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
<i>Current assets</i>								
Cash and cash equivalents	453,020	7.72	389,737	6.74	412,662	7.54	612,819	11.87
Trade accounts receivable	949,696	16.18	792,641	13.70	654,487	11.96	429,373	8.32
Other current receivables	111,631	1.90	92,971	1.61	139,917	2.56	89,956	1.74
Inventories	545,696	9.30	636,989	11.01	557,528	10.19	476,863	9.24
Other current assets	106,632	1.82	101,928	1.76	90,973	1.66	97,325	1.89
Total current assets	2,166,675	36.92	2,014,266	34.81	1,855,567	33.92	1,706,336	33.06
<i>Non-current assets</i>								
Available-for-sale investment	417,562	7.12	596,062	10.30	-	-	-	-
Investments in associates	21,322	0.36	27,399	0.47	28,853	0.53	35,805	0.69
Long-term investments	248	0.00	248	0.00	462,435	8.45	373,185	7.23
Investment properties	868,917	14.81	886,283	15.32	925,903	16.92	992,603	19.23
Property, plant and equipment	1,570,743	26.77	1,462,126	25.27	1,472,284	26.91	1,324,820	25.67
Leasehold rights	588,304	10.03	541,731	9.36	481,587	8.80	522,388	10.12
Intangible assets	79,130	1.35	91,071	1.57	92,900	1.70	98,091	1.90
Deferred tax assets	22,054	0.38	23,030	0.40	24,052	0.44	20,597	0.40
Other non-current assets	133,110	2.27	143,722	2.48	127,545	2.33	87,083	1.69
Total non-current assets	3,701,390	63.08	3,771,672	65.19	3,615,559	66.08	3,454,572	66.94
Total assets	5,868,065	100.00	5,785,938	100.00	5,471,126	100.00	5,160,908	100.00



SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31 2018, 2017, 2016 and 2015

Unit : Thousand Baht

Items	2018		2017		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Liabilities and equity								
<i>Current liabilities</i>								
Bank overdrafts and short-term loans								
from financial institutions	530,000	9.03	230,000	3.98	300,000	5.48	200,000	3.88
Trade accounts payable	1,247,189	21.25	1,101,051	19.03	991,509	18.12	766,909	14.86
Other current payables	209,101	3.56	208,160	3.60	250,502	4.58	146,144	2.83
Current portion of long-term borrowings	-	-	179,665	3.11	251,750	4.60	295,750	5.73
Current portion of finance lease liabilities	1,815	0.03	2,534	0.04	3,467	0.06	4,117	0.08
Income tax payable	14,625	0.25	40,428	0.70	20,660	0.38	2,315	0.04
Other current liabilities	67,142	1.14	45,668	0.79	27,104	0.50	23,246	0.45
Total current liabilities	2,069,872	35.27	1,807,506	31.24	1,844,992	33.72	1,438,481	27.87
<i>Non-current liabilities</i>								
Long-term borrowings	-	-	150,000	2.59	79,665	1.46	431,415	8.36
Finance lease liabilities	1,985	0.03	2,326	0.04	4,062	0.07	5,704	0.11
Deferred tax liabilities	108,751	1.85	146,352	2.53	116,475	2.13	106,512	2.06
Non-current provisions for employee benefit	45,254	0.77	38,725	0.67	31,325	0.57	28,035	0.54
Other non-current liabilities	66,032	1.13	48,702	0.84	43,965	0.80	47,117	0.91
Total non-current liabilities	222,022	3.78	386,105	6.67	275,492	5.04	618,783	11.99
Total liabilities	2,291,894	39.06	2,193,611	37.91	2,120,484	38.76	2,057,264	39.86

SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31 2018, 2017, 2016 and 2015

Unit : Thousand Baht

Items	2018		2017		2016		2015	
	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	23.43	1,375,000	23.76	1,375,000	25.13	1,375,000	26.64
Issued and paid-up share capital								
- Ordinary shares 1,100,000,001 shares	1,100,000	18.75	1,100,000	19.01	1,100,000	20.11	1,100,000	21.31
Additional paid-in capital:								
Share premium	45,000	0.77	45,000	0.78	45,000	0.82	45,000	0.87
Share premium on treasury shares	204,339	3.48	204,339	3.53	204,339	3.73	204,339	3.96
Surplus from decreasing share capital by writing off treasury shares	40,122	0.68	40,122	0.69	40,122	0.73	40,122	0.78
Warrants	27,498	0.47	27,498	0.48	27,498	0.50	27,498	0.53
Retained earnings								
Appropriated								
Legal reserve	106,475	1.81	88,894	1.54	75,610	1.38	61,355	1.19
Unappropriated	1,896,306	32.32	1,784,204	30.84	1,663,609	30.41	1,503,079	29.12
Other components of shareholders' equity	156,431	2.67	302,270	5.22	194,464	3.55	122,251	2.37
Total shareholders' equity	3,576,171	60.94	3,592,327	62.09	3,350,642	61.24	3,103,644	60.14
Total liabilities and shareholders' equity	5,868,065	100.00	5,785,938	100.00	5,471,126	100.00	5,160,908	100.00



SUSCO Public Company Limited and its Subsidiaries

Statement of changes in equity

For the year ended December 31 2018, 2017, 2016 and 2015

Unit : Thousand Baht

Items	2018	2017	2016	2015
	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	27,498
Retained earnings				
Appropriated				
Legal reserve				
Beginning of the year	88,894	75,610	61,355	46,784
Increase during of the year	17,581	13,284	14,255	14,571
Balance end of the year	106,475	88,894	75,610	61,355
Treasury shares reserve	-	-	-	-
Unappropriated				
Beginning of the year	1,784,204	1,663,609	1,503,079	1,443,643
Impact from changes in accounting policies	-	-	-	-
Effect from combination business	-	-	-	-
Treasury shares reserve	-	-	-	-
Legal reserve	(17,581)	(13,284)	(14,255)	(14,571)
Dividends	(153,997)	(88,000)	(109,998)	(87,994)
Increase (decrease) during of the year	283,680	221,879	284,783	162,001
Balance end of the year	1,896,306	1,784,204	1,663,609	1,503,079
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	152,664	295,464	188,364	116,964
Differences from foreign currency translation for foreign operations	-	-	-	(25)
Share of other comprehensive income (loss) of investment in associates	2,887	5,926	5,220	4,432
Total	156,431	302,270	194,464	122,251
Total equity	3,576,171	3,592,327	3,350,642	3,103,644

SUSCO Public Company Limited and its Subsidiaries
Statement of comprehensive income
For the year ended December 31 2018, 2017, 2016 and 2015

Unit: Thousand Baht

Items	2018		2017		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues								
Revenues from sale, net	27,882,069	98.72	23,095,515	98.59	19,030,179	98.12	19,214,916	97.98
Dividend income	16,099	0.06	15,590	0.07	17,268	0.09	9,012	0.05
Other income	346,586	1.23	313,832	1.34	346,635	1.79	388,084	1.98
Total income	28,244,754	100.00	23,424,937	100.00	19,394,082	100.00	19,612,012	100.00
Expenses								
Cost of sales of goods	26,638,720	94.31	21,834,045	93.21	17,854,787	92.06	18,234,225	92.97
Distribution costs and administrative expenses	1,233,727	4.37	1,163,332	4.97	1,177,110	6.07	1,140,644	5.82
Finance costs	20,244	0.07	25,820	0.11	38,653	0.20	61,368	0.31
Total expenses	27,892,691	98.75	23,023,197	98.28	19,070,550	98.33	19,436,237	99.10
Share of profit (loss) of associates	(3,038)	(0.01)	(2,160)	(0.01)	(7,740)	(0.04)	(4,544)	(0.02)
Profit before income tax expense	349,025	1.24	399,580	1.71	315,792	1.63	171,231	0.87
Tax expense	65,345	0.23	177,033	0.76	31,010	0.16	16,151	0.08
Profit for the year	283,680	1.00	222,547	0.95	284,782	1.47	155,080	0.79
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Actuarial gain (losses) on define employee benefit plans	-	-	(835)	-	1	-	6,921	0.04
Income tax relating to items that may be reclassified	-	-	167	-	-	-	-	-
	-	-	(668)	-	1	-	6,921	0.04
Item that may be reclassified subsequently to profit or loss :								
Share of other comprehensive income (expenses) of associates								
Exchange differences on translating financial operations	-	-	-	-	25	-	-	-
Share of other comprehensive income (expenses) of associates	(3,039)	-	706	-	788	-	(2,250)	(0.01)
Gains (losses) on remeasuring available for sale investments	(178,500)	(0.63)	133,875	0.57	71,400	0.37	43,350	0.22
Income tax relating to items that may be reclassified	35,700	0.13	(26,775)	(0.11)	-	-	-	-
	(145,839)	(0.52)	107,806	0.46	72,213	0.37	41,100	0.21
Other comprehensive income (expense) for the year, net of tax	(145,839)	(0.52)	107,138	0.46	72,214	0.37	48,021	0.24
Total comprehensive income for the year	137,841	0.49	329,685	1.41	356,996	1.84	203,101	1.04
Earnings per share (in Baht)								
Basic earnings per share	0.26	-	0.20	-	0.26	-	0.14	-
Diluted earnings per share	0.26	-	0.20	-	0.26	-	0.14	-



SUSCO Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended December 31 2018, 2017, 2016 and 2015

Unit: Thousand Baht

Items	2018	2017	2016	2015
	Amount	Amount	Amount	Amount
Cash flows from operating activities				
Profit for the year	283,680	222,547	284,782	155,080
<i>Reconciliations of profit for the year to cash provided by (used in) operating activities:</i>				
Depreciation	150,606	138,794	149,288	136,754
Amortisation	85,286	83,557	102,750	110,962
Bad debt and doubtful debts (reversal)	1,440	1,757	4,448	5,935
Reversal of allowance for decline in value of refundable withholding tax	-	-	(10,463)	-
Loss on inventories devaluation (reversal)	19,336	(2,088)	(14,387)	(30,362)
Loss on impairment of assets (reversal)	(30,214)	(14,398)	41,941	(819)
(Gain) loss on disposal of assets	(12,508)	12,395	(34,046)	1,615
Dividend income	(16,099)	(15,590)	(17,268)	(9,012)
(Gain) on sales of investment	(37)	-	(135)	(308)
Unrealized loss on exchange rate	1,839	208	(92)	720
Share of loss of associates	3,038	2,160	7,740	4,544
Employee benefit expense	8,232	7,266	4,817	5,805
Loss from disposal of investment in associates	-	-	-	29
Finance costs	20,244	25,820	38,653	61,368
Income tax expense	65,345	177,033	31,010	16,151
Profit provided by operating activities before changes in operating assets and liabilities	580,188	639,461	589,038	458,462
<i>(Increase) decrease in operating assets</i>				
Trade and other account receivable	(179,360)	(90,713)	(292,361)	255,684
Inventories	71,957	(77,373)	(66,278)	274,617
Other current assets	(4,704)	(10,955)	6,349	53,501
Other non-current assets	10,648	(33,304)	(39,417)	(21,330)
<i>Increase (decrease) in operating liabilities</i>				
Trade and other accounts payable	135,107	63,103	259,921	73,583
Other current liabilities	21,474	18,564	3,858	(8,185)
Employee benefit obligation	(1,703)	(701)	(1,526)	(186)
Other non-current liabilities	17,330	4,735	(3,150)	(4,321)
Cash received from operations	650,937	512,817	456,434	1,081,825
Income tax expense paid	(92,105)	(135,867)	(34,553)	(22,419)
Net cash provided by operating activities	558,832	376,950	421,881	1,059,406
Cash flows from investing activities				
Cash receipts from sale of short-term investment	37	-	135	308
Proceeds from capital distribution in associates	-	-	-	2,193
Cash payments for acquisition of property, plant and equipment	(227,672)	(109,206)	(169,383)	(177,108)

SUSCO Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended December 31 2018, 2017, 2016 and 2015

Unit: Thousand Baht

Items	2018	2017	2016	2015
	Amount	Amount	Amount	Amount
Cash receipts from disposal of property, plant and equipment	40,749	23,539	44,938	12,223
Cash payments for acquisition of intangible assets and leasehold rights	(120,205)	(141,857)	(65,944)	(22,642)
Dividend receive	16,099	15,590	17,268	9,012
Net cash used in investing activities	(290,992)	(211,934)	(172,986)	(176,014)
<i>Cash flows from financing activities</i>				
Increase (decrease) in short-term loans from financial institutions	300,000	(70,000)	100,000	500,500
Repayment for short-term loans from financial institutions	-	-	-	(317,058)
Cash payments for repayment of long-term loan from financial institutions	(329,665)	(301,750)	(395,750)	(661,750)
Cash receipts from long-term loan from financial institutions	-	300,000	-	-
Proceeds from issue of warrants	-	-	-	27,498
Cash payments for repayment of finance lease liabilities	(1,060)	(2,669)	(4,269)	(3,403)
Dividend paid	(153,667)	(87,811)	(109,782)	(87,756)
Interest expense paid	(20,165)	(25,711)	(39,251)	(62,630)
Net cash used in financing activities	(204,557)	(187,941)	(449,052)	(604,599)
Net increase (decrease) in cash and cash equivalents	63,283	(22,925)	(200,157)	278,793
Cash and cash equivalents - beginning of year	389,737	412,662	612,819	334,026
Cash and cash equivalents - ending of year	453,020	389,737	412,662	612,819



13.3 Comparison of Significant Financial Ratios

As of December 31 2018, 2017, 2016 and 2015

Items		2018	2017	2016	2015
Liquidity Ratio					
Current Ratio	(Times)	1.05	1.11	1.01	1.19
Quick Ratio	(Times)	0.68	0.65	0.58	0.72
Cash flow Ratio	(Times)	0.29	0.21	0.26	0.79
Receivable Turnover Ratio	(Times)	32.01	31.92	35.12	33.88
Days to Collect average Accounts receivable	(Days)	11	11	10	11
Inventory Turnover Ratio	(Times)	45.05	36.56	34.52	30.44
Days to Collect average Inventory	(Days)	8	10	10	12
Payable Turnover Ratio	(Times)	22.69	20.87	20.31	24.46
Days to Repayment	(Days)	16	17	18	15
Profitability Ratio					
Gross Profit Rate	(Percent)	4.46	5.46	6.18	5.10
Operating Profit Rate	(Percent)	1.25	1.73	1.66	0.89
Net Profit Rate/Total income	(Percent)	1.00	0.95	1.47	0.79
Cash Rate/Profitability	(Percent)	160.11	94.34	133.59	618.70
Return on Equity Rate	(Percent)	7.91	6.41	8.82	5.11
Net Profit Rate	(Percent)	1.02	0.96	1.50	0.81
Efficiency Ratio					
Return on Assets Ratio	(Percent)	4.87	3.95	5.36	2.93
Return on Fixed Assets Ratio	(Percent)	18.14	15.23	18.41	12.70
Assets Turnover Ratio	(Times)	4.85	4.16	3.65	3.71
Financial Ratio					
Debt to Equity Ratio	(Times)	0.64	0.61	0.63	0.66
Interest Coverage Ratio	(Times)	33.28	20.95	12.63	18.27
Obligations Coverage Ratio	(Times)	0.02	0.02	0.02	0.05
Dividend Payout Ratio	(Percent)	40.67	45.54	42.44	30.19
Data per share					
Book value per share	(Baht)	3.25	3.27	3.05	2.82
Earning per share	(Baht)	0.26	0.20	0.26	0.14

Note: Par value of Baht 1 per share.

14. Management Discussion and Analysis

In 2018, the Thai economy grew at approximately 4.2 %, increased from 3.9 % in 2017, driven by an increasing in consumption, private investment, and government spending, despite a slowdown in net export.

For the board picture of oil industry in 2018, Thailand has a total oil consumption of 44,271 million litres, an increase of 2.60% or 1,123 million litres from 43,148 million litres of 2017, resulted from an ongoing economic, which is in line with the increase in number of passenger car and motorcycle sales. Moreover, the oil price has gradually decreased, especially in the last period of 2018, which affected the demand for domestic oil consumption.

In 2018, the total sales volume of our Group of Companies was 1,259 million litres, an increase of 9.73% or 112 million litres from 1,147 million litres of 2017, which was higher than the average growth rate of domestic oil consumption. Main factors that contributed to the higher growth rate when comparing to the industry were the growth of sales from export and aviation fuel. The Company was still able to maintain sales volume of domestic oil, which contributed from various elements such as from a strong demand for oil, which resulted from continuously decrease of the retail prices, promotional activities since 2017, such as the membership campaign, "SUSCO SMART MEMBER, the more you fill, the more points you get", advertising through media channels, modernizing service stations, as to attract more customers. In addition, the Company has selected new business partners, such as Lawson 108, FamilyMart, ChaoDoi coffee, Rabika coffee, B-Quick, BOSCH Car Service, Tyre Plus, EV Charging Station and Solar Roof, and other related businesses to operate in our service stations in order to distribute and increase the sources of income.

The total revenue was Baht 28,245 million in 2018, an increase of Baht 4,820 million or 20.58% from Baht 23,425 million of 2017, resulted from higher in both volumes and prices. In the year 2018, the Company has a satisfactory profit from operating income.

For 2019, the Thai economy is expected to expand by 4%, supported by household spending that is still likely to expand at a good level and continuously support economic growth from the improvement of overall investment from both public and private investment, the improvement of tourism sector, the economic growth, and the world trade volume. 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 new technology to help reduce the operation costs in order to generate more returns to the Company's stakeholders.

Financial Condition

As of December 31, 2018, the Company and its subsidiaries had a total of Baht 2,167 million in current assets, Baht 2,700 million in current liabilities, Baht 3,701 million in non-current assets, and Baht 222 million in non-current liabilities. The Company had a total credit line approximately Baht 3,884 million, which sufficiently provide liquidity to the Company and its subsidiaries. In 2018, the Company repaid Baht 330 million worth of long term loan, resulting in the decrease in interest payable and paid dividends amounting to Baht 154 million to its shareholders.

As of December 31, 2018, 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 1.05, the receivables turnover ratio of 32.01, the inventory turnover ratio of 45.05, and the debt to equity ratio of only 0.64.



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SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**



INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Susco Public Company Limited

Opinion

I have audited the consolidated financial statements of Susco Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Susco Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the 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.

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Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated financial statements 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.

- Revenue recognition

The Group and The Company had the revenue from oil sales which is mainly the revenue from oil sales as at the point of sale of many oil stations in the country. In addition, there is also revenue from oil to overseas. Therefore, sales revenue has frequency of occurrence and in many enterprises. The factor of oil price that regularly changes and conditions of various sales promotion, including timing of revenue cut-off of oil service stations and how the method to gather all income to record for accounting directly affect the completeness and accuracy of revenue recognition. I have identified that the completeness and accuracy of revenue recognition is a significant risk which requires special attention in the audit. The accounting policies on revenue recognition and amount of revenue are disclosed in Notes 3.1 and 27, respectively.

Regarding my audit method on such matter, I made an understanding of the internal control system of revenue cycle and related accounting transaction, tested the design and effectiveness of internal controls related to the revenue recognition and related accounting transaction, especially the control of completeness and accuracy of sales revenue record. I also carried out revenue sampling to test the detail and the accuracy of the transaction against related documents and verified the completeness of revenue record. Furthermore, I audited the revenue cut-off from sale before and after the end of the accounting period. I have considered the appropriateness of the information disclosure in the financial statements and notes.

- Impairment of investment property, property plant and, equipment and leasehold rights

Investment property, property plant and, equipment and leasehold rights are mostly assets used in operating the oil service station and are core assets with significance of the Group. Several oil service stations' operating performance does not meet management expectation. The management considered that such information indicates an impairment in the assets used in the oil service station. As regards to consideration of the impairment of such assets, the management has to use significant judgment and set various significant assumptions to test in the assessment of the recoverable amount of the assets. I have identified that the valuation of investment property, property plant and, equipment and leasehold for the assessment of asset impairment is a significant risk that requires special attention in the audit. The accounting policy on asset impairment and the amount of the allowance for asset impairment are disclosed in Notes 3.12, 13, 14 and 15, respectively.

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Regarding my audit method on such matter, I made an understanding of the process in considering the asset impairment, identified the cash generating unit and assessed the reasonableness of the identification of asset impairment including assessment of the appropriateness of the assessment method and significant assumption used by the management in assessing the recoverable amount of impaired assets. In addition, I have already considered the accuracy, completeness and appropriateness of information disclosure in the financial statements and related notes.

Other matter

The consolidated financial statements of Susco Public Company Limited and its subsidiaries and separate financial statements of Susco Public Company Limited for the year ended 31 December 2017, presented herewith for comparative information were audited by another auditor who expressed an unqualified opinion on those statements, under his report dated 19 February 2018.

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 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 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 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 financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 Thai Standards on Auditing 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 financial statements and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements 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 financial statements 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 financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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● 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 we 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 financial statements 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Thanawut Piboonsawat.



(Mr. Thanawut Piboonsawat)

Certified Public Accountant

Registration No. 6699

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 27, 2019

SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

ASSETS

		Thousand Baht			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	Note	2018	2017	2018	2017
Current assets					
Cash and cash equivalents	6	453,020	389,737	171,269	172,150
Trade accounts receivable	7	949,696	792,641	398,525	361,091
Other receivables		111,631	92,971	75,393	91,865
Inventories	8	545,696	636,989	216,851	263,132
Other current assets		106,632	101,928	76,209	78,218
Total current assets		2,166,675	2,014,266	938,247	966,456
Non-current assets					
Available-for-sale investment	9	417,562	596,062	-	-
Investments in associates	10	21,322	27,399	27,399	27,399
Investments in subsidiaries	11	-	-	1,922,269	1,927,217
Other long-term investment	12	248	248	117	117
Investment properties	13	868,917	886,283	81,892	90,191
Property, plant and equipment	14	1,570,743	1,462,126	1,467,707	1,348,048
Leasehold rights	15	588,304	541,731	354,530	261,817
Intangible assets	16	79,130	91,071	8,897	12,872
Deferred tax assets	17	22,054	23,030	17,011	17,873
Other non-current assets		133,110	143,722	115,872	133,924
Total non-current assets		3,701,390	3,771,672	3,995,694	3,819,458
TOTAL ASSETS		5,868,065	5,785,938	4,933,941	4,785,914

Notes to financial statements form an integral part of these statements.



SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Current liabilities					
Short-term loans from financial institutions	18	530,000	230,000	530,000	230,000
Trade accounts payable	19	1,247,189	1,101,051	1,651,071	1,420,751
Other payables	20	209,101	208,160	187,119	173,533
Current portion of long-term loans	21	-	179,665	-	179,665
Short-term loan from related parties		-	-	177,000	432,000
Current portion of finance lease liabilities	22	1,815	2,534	1,815	2,534
Income tax payable		14,625	40,428	6,667	25,472
Other account payable		67,142	45,668	11,937	7,177
Total current liabilities		2,069,872	1,807,506	2,565,609	2,471,132
Non-current liabilities					
Long-term loans	21	-	150,000	-	150,000
Finance lease liabilities	22	1,985	2,326	1,985	2,326
Deferred tax liabilities	17	108,751	146,352	-	-
Employee benefit obligation	23	45,254	38,725	44,244	37,974
Other non-current liabilities		66,032	48,702	-	-
Total non-current liabilities		222,022	386,105	46,229	190,300
TOTAL LIABILITIES		2,291,894	2,193,611	2,611,838	2,661,432

Notes to financial statements form an integral part of these statements.

SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Shareholders' equity					
Share capital					
Authorized share capital					
1,375,000,000 ordinary shares, Baht 1.00 each		1,375,000	1,375,000	1,375,000	1,375,000
Issued and fully paid-up share capital					
1,100,000,001 ordinary shares, Baht 1.00 each		1,100,000	1,100,000	1,100,000	1,100,000
Share premium		45,000	45,000	45,000	45,000
Share premium 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	27,498
Retained earnings					
Appropriated					
Legal reserve		106,475	88,894	106,475	88,894
Unappropriated		1,896,306	1,784,204	797,789	617,749
Other components of shareholders' equity		156,431	302,270	880	880
TOTAL SHAREHOLDERS' EQUITY		3,576,171	3,592,327	2,322,103	2,124,482
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,868,065	5,785,938	4,933,941	4,785,914

Notes to financial statements form an integral part of these statements.



SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Revenues from sale, net	27	27,882,069	23,095,515	17,779,609	15,198,110
Revenues from natural gas station management service		95,643	104,999	62,156	67,483
Rental income		92,771	94,925	103,685	93,972
Franchise income		26,887	28,060	1,762	1,811
Dividend income	9, 11	16,099	15,590	186,349	73,783
Other income	28	131,285	85,848	149,602	101,708
Total revenues		28,244,754	23,424,937	18,283,163	15,536,867
Expenses					
Cost of sales of goods		26,638,720	21,834,045	16,809,927	14,211,169
Distribution costs	29	875,918	793,858	748,873	667,390
Administrative expenses	30	357,809	369,474	311,053	316,775
Finance costs	33	20,244	25,820	21,312	31,823
Total expenses		27,892,691	23,023,197	17,891,165	15,227,157
Share of (loss) of associates	10	(3,038)	(2,160)	-	-
Profit before income tax expense		349,025	399,580	391,998	309,710
Income tax expense	34	65,345	177,033	40,380	44,027
Profit for the year		283,680	222,547	351,618	265,683
Other comprehensive income					
Item that will not be reclassified to profit or loss :					
Actuarial gain (losses) on define employee benefit plans		-	(835)	-	(999)
Income tax relating to itemes that may be reclassified		-	167	-	200
		-	(668)	-	(799)
Item that may be reclassified subsequently to profit or loss :					
Share of other comprehensive income (expenses)					
# of associates	10	(3,039)	706	-	-
Gain (losses) on remeasuring available for sale investments	9	(178,500)	133,875	-	-
Income tax relating to itemes that may be reclassified	34	35,700	(26,775)	-	-
		(145,839)	107,806	-	-
Other comprehensive income (expense) for the year, net of tax		(145,839)	107,138	-	(799)
Total comprehensive income for the year		137,841	329,685	351,618	264,884
Earnings per share (Baht)	35				
Basic earnings per share		0.26	0.20	0.32	0.24
Diluted earnings per share		0.26	0.20	0.32	0.24

Notes to the financial statements form an integral part of these statements.

SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Thousand Baht												
Consolidated financial statements												
	issued and paid-up share capital	Share premium	Share premium on treasury shares	Surplus from decreasing share capital by writing off treasury shares	Warrants	Retained earnings			Other components of shareholders' equity			Total shareholders' equity
						Appropriated Legal reserve	Unappropriated	Revaluation surplus	Available - for sale investment	Share of other comprehensive income (loss) of associates	Total other components of shareholders' equity	
Note												
Beginning balance as at January 1, 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
Legal reserve	-	-	-	-	-	13,284	(13,284)	-	-	-	-	-
Dividend payment	-	-	-	-	-	-	(88,000)	-	-	-	-	(88,000)
Total comprehensive income for the year	-	-	-	-	-	-	222,547	-	-	-	-	222,547
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (expense) for the year, net of tax	-	-	-	-	-	-	(668)	-	107,100	706	107,806	107,138
Ending balance as at December 31, 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
Legal reserve	-	-	-	-	-	17,581	(17,581)	-	-	-	-	-
Dividend payment	-	-	-	-	-	-	(153,997)	-	-	-	-	(153,997)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	283,680	-	-	-	-	283,680
Other comprehensive income (expense) for the year, net of tax	-	-	-	-	-	-	-	-	(142,800)	(3,039)	(145,839)	(145,839)
Ending balance as at December 31, 2018	1,100,000	45,000	204,339	40,122	27,498	106,475	1,896,306	880	152,664	2,887	156,431	3,576,171

Notes to the financial statements form an integral part of these statements.

SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Thousand Baht									
Separate financial statements									
	issued and paid-up shares capital	Share premium	Share premium on treasury shares	Surplus from decreasing share capital by writing off treasury shares	warrants	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
						Appropriated Legal reserve	Unappropriated	Revaluation surplus	
Note									
Beginning balance as at January 1, 2017	1,100,000	45,000	204,339	40,122	27,498	75,610	454,149	880	1,947,598
Legal reserve	-	-	-	-	-	13,284	(13,284)	-	-
Dividend payment	-	-	-	-	-	-	(88,000)	-	(88,000)
Total comprehensive income for the year	-	-	-	-	-	-	265,683	-	265,683
Profit for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income (expenses) for the year, net of tax	-	-	-	-	-	-	(799)	-	(799)
Ending balance as at December 31, 2017	1,100,000	45,000	204,339	40,122	27,498	88,894	617,749	880	2,124,482
Legal reserve	-	-	-	-	-	17,581	(17,581)	-	-
Dividend payment	-	-	-	-	-	-	(153,997)	-	(153,997)
Total comprehensive income for the year	-	-	-	-	-	-	351,618	-	351,618
Profit for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	-	-
Ending balance as at December 31, 2018	1,100,000	45,000	204,339	40,122	27,498	106,475	797,789	880	2,322,103

Notes to the financial statements form an integral part of these statements.

SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit for the year	283,680	222,547	351,618	265,683
Reconciliations of profit for the year to cash provided by (used in) operating activities:				
Depreciation	150,606	138,794	97,231	88,990
Amortization	85,286	83,557	31,505	16,696
Bad debt and doubtful debts (reversal)	1,440	1,757	1,826	3,281
Loss on inventories devaluation (reversal)	19,336	(2,088)	12,745	(1,273)
Loss on impairment of assets (reversal)	(30,214)	(14,398)	(9,647)	-
Loss on impairment of investment in associate	-	-	-	10,925
(Gain) loss on disposal of assets	(12,508)	12,395	(21,259)	7,996
Dividend income	(16,099)	(15,590)	(186,349)	(73,783)
(Gain) on sales of investment	(37)	-	-	-
Unrealized loss on exchange rate	1,839	208	1,842	249
(Gain) loss on return on investment in subsidiary	-	-	(8,539)	-
Share of loss of associates	3,038	2,160	-	-
Employee benefit expense	8,232	7,266	7,972	7,031
Finance costs	20,244	25,820	21,312	31,823
Income tax expense	65,345	177,033	40,380	44,027
Profit provided by operating activities before changes in operating assets and liabilities	580,188	639,461	340,637	401,645
(Increase) decrease in operating assets				
Trade and other account receivable	(179,360)	(90,713)	(24,998)	(12,162)
Inventories	71,957	(77,373)	33,536	(16,307)
Other current assets	(4,704)	(10,955)	2,009	(2,867)
Other non-current assets	10,648	(33,304)	18,018	(34,471)
Increase (decrease) in operating liabilities				
# Trade and other accounts payable	135,107	63,103	233,027	5,960
Other current liabilities	21,474	18,564	4,761	1,829
Employee benefit obligation	(1,703)	(701)	(1,703)	(701)
Other non-current liabilities	17,330	4,735	-	-
Cash received from operations	650,937	512,817	605,287	342,926
Income tax expense paid	(92,105)	(135,867)	(58,290)	(37,767)
Net cash provided by operating activities	558,832	376,950	546,997	305,159

Notes to the financial statements form an integral part of these statements.



SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Cash receipts from sale of short-term investment	37	-	-	-
Cash payments for acquisition of property, plant and equipment	(227,672)	(109,206)	(204,326)	(92,024)
Cash receipts from disposal of property, plant and equipment	40,749	23,539	37,503	13,680
Cash payments for acquisition of intangible assets and leasehold rights	(120,205)	(141,857)	(120,206)	(139,285)
Cash receipts on return on investment in subsidiary	-	-	13,487	-
Dividend received	16,099	15,590	186,349	73,783
Net cash used in investing activities	(290,992)	(211,934)	(87,193)	(143,846)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	300,000	(70,000)	300,000	(70,000)
Increase (decrease) in short-term loan from related parties	-	-	(255,000)	80,000
Cash payments for repayment of long-term loan from financial institutions	(329,665)	(301,750)	(329,665)	(301,750)
Cash receipts from long-term loan from financial institutions	-	300,000	-	300,000
Cash payments for repayment of finance lease liabilities	(1,060)	(2,669)	(1,060)	(2,669)
Dividend paid	(153,667)	(87,811)	(153,667)	(87,811)
# Interest expense paid	(20,165)	(25,711)	(21,293)	(31,624)
Net cash used in financing activities	(204,557)	(187,941)	(460,685)	(113,854)
Net increase (decrease) in cash and cash equivalents	63,283	(22,925)	(881)	47,459
Cash and cash equivalents - beginning of year	389,737	412,662	172,150	124,691
Cash and cash equivalents - ending of year	453,020	389,737	171,269	172,150

Notes to the financial statements form an integral part of these statements.

SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. GENERAL INFORMATION

1.1 Legal status and address of the Company

The Company had registered to be a limited company on September 21, 1977. The Company's status had been changed to be the public company limited and registered with the Ministry of Commerce on February 8, 1993.

The address of its registered office is as follows:

Head office is located at 139, Ratburana Road, Bangpakok, Ratburana, Bangkok Thailand.

1.2 Nature of the Company's operations

The principal activities of SUSCO Public Company Limited and its subsidiaries 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.

1.3 Major shareholders

The Company's major shareholders were the Simarojs family which owns the common shares at 21.23% of the total common shares of the Company.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language version.



2.2 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Susco Public Company Limited and its subsidiaries as follows;

Company name	Type of business	Percentage of shareholding		Country of establishment
		% of share capital		
		2018	2017	
Direct shareholding				
Siam Mongkol Oil Co., Ltd.	Trading of fuel, liquefied petroleum gas, lubricants and marts.	99.99	99.99	Thailand
SUSCO Retail Co., Ltd. (registered to liquidate the company on May 31,2018)	Trading of fuel, liquefied petroleum gas, lubricants and marts.	-	99.99	Thailand
Sirijaroenwattana Co., Ltd.	Providing management services and land for rent to natural gas for vehicles stations	99.99	99.99	Thailand
SUSCO Dealers Co., Ltd.	Trading of fuel and offering the right to use the trademark license	100.00	100.00	Thailand
Indirect shareholding				
SUSCO Retail Property Co., Ltd.	Leasing out land and service stations	100.00	100.00	Thailand
SUSCO Marketing Co., Ltd.	Trading of fuel and offering the right to use the Trademark license	100.00	100.00	Thailand
SUSCO Property Co., Ltd.	Leasing out land and service stations	99.24	99.24	Thailand

2.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

2.2.4 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.

2.2.5 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.2.6 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The financial reporting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations



TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company and its subsidiaries evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue and expenses recognition

Revenues on sales is recognized in profit or loss when significant risks and rewards of ownership of the goods are transferred to the buyer. The revenues on sales are recorded on invoicing price net of output tax, rebate and discounts.

Revenues from rendering services are recognized in profit or loss when the services are rendered.

Rental income from investment property is recognized 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 is recognised in profit or loss when obtain the right to receive the dividend.

Interest income is recognized in profit or loss on the period and accrual basis.

Other income and expenses are recognized in profit or loss on the accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Trade accounts receivable and others receivable

Trade and other accounts receivable (including balances with related parties) are initially recognized by the invoice amount and subsequently measured at the remaining amount less an allowance for doubtful accounts (if any) based on a review of all outstanding amounts at year end. The allowance for doubtful accounts is the difference between the carrying amount of trade accounts receivable and the amount expected to be collectible. Bad debts are immediately recognized in the income statement as part of administrative expenses.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Allowances made are based on historical write-off patterns and the aging of accounts receivable. Bad debts are written off when incurred.

3.4 Inventories

Inventories are presented at the lower of cost or net realizable value, cost of inventories is calculated using the first in first out method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

3.5 Investment

Investments in associates and subsidiaries

Associates are those companies in which the Company has significant influence over the associates, that is the Company has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies.

Subsidiaries are those companies in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

Investments in associates and subsidiaries are stated at cost net from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss in the statement of comprehensive income in the separate financial statements and investments in associates and subsidiaries are stated at equity in the consolidated financial statements.

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 Company and its subsidiaries have 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.

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 Company and its subsidiaries dispose 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.

3.6 Investment property

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 property is stated at cost less accumulated depreciation and allowance on impairment (if any).

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 of investment property under building for rent category is calculated by the straight-line method over the estimated useful life of the assets as follows:

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

Depreciation of investment property is included in determining income.

No depreciation is provided on land, construction in progress.

3.7 Property, plant and equipment and depreciation

Land is stated at cost.

Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve fixed asset, if it is certainly probable the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets 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



The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

3.8 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.9 Finance lease

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lessors will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the leased contract whichever amount is lower. The amount which has to repay in each time is divided as liability portion and financial expenditure so that fixed interest rate over outstanding liability obligation burden in accordance with the financial leased contract will be recorded as long term liability. Interest payable will be recorded in the statement of income throughout the leased contract life.

3.10 Leasehold rights

Leasehold rights is stated at cost less accumulated amortization and impairment loss (if any).

Amortization is calculated on a straight-line method over the contractual period by cost less residual

3.11 Intangible assets

Intangible assets that are acquired by the Company and its subsidiaries have finite useful life are stated at cost less accumulated amortization and allowance on impairment (if any).

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.

Amortization is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

Software licences	5 years
Trademarks	Contract term
Oil storage	Contract term

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

3.12 Impairment of assets

As at the statement of financial position date, the Company and its subsidiaries assess whether there is an indication of asset impairment. If any such indication exists, the Company and its subsidiaries will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized 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.

In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. 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.

The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.13 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.

3.14 Trade accounts payable and others payable

Trade and other accounts payable are stated at cost.

3.15 Employee benefits

Short-term employment benefits

The Company and its subsidiaries recognize salary, wage, bonus and contributions to social security fund and provided fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by The Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments that it must pay to the employees upon retirement under the Company's and its subsidiaries's article and the labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retain earing.

Other long-term employee benefits

The Company and its subsidiaries' 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 Company and its subsidiaries can no longer withdraw the offer of those benefits and when the Company and its subsidiaries recognize 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.

3.16 Provisions

A provision is recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.17 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.

3.18 Foreign currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

3.19 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.



3.20 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. 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 and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realised or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.21 Earnings per share

The Company and its subsidiaries present 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 and its subsidiaries 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.

3.22 Related parties

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

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

3.23 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.

3.24 Fair value measurement

The Company and its subsidiaries uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.



Fair value hierarchy

Level 1- Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense.

Impairment of assets

The Company and its subsidiaries treat assets as impaired when they are determined that the recoverable amount is lower than the carrying amount or in assessing whether there is any indication that assets may be impaired. The determination of whether the recoverable amount lower than the carrying amount requires judgement of the management to use key assumptions underlying recoverable amounts.

Investment property, property, plant and equipment / Depreciation

In determining depreciation of investment property, property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment property property, plant and equipment and to review the useful lives and residual values when there are any changes.

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Company and its subsidiaries if the Company and its subsidiaries 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 Company and its subsidiaries and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.



5.1 The nature of relationship with related parties were summarized as follows:

Related parties	Relationship
<u>Subsidiaries</u>	
Siam Mongkol Oil Co., Ltd.	Major Shareholder and common director
SUSCO Retail Co., Ltd. (registered to liquidate the company on May 31,2018)	Major Shareholder and common director
Sirijaroenwattana Co., Ltd.	Major Shareholder and common director
SUSCO Dealers Co., Ltd.	Major Shareholder and common director
SUSCO Retail Property Co., Ltd.	Indirect shareholding through SUSCO Dealers Co., Ltd. and common director
SUSCO Marketing Co., Ltd.	Indirect shareholding through SUSCO Dealers Co., Ltd. and common director
SUSCO Property Co., Ltd.	Indirect shareholding through SUSCO Dealers Co., Ltd. and common director
<u>Associates</u>	
Siam Mongkol Marine Co., Ltd.	Shareholder and common director
Siam Thananya Marine Co., Ltd.	Indirect shareholding through Siam Mongkol Marine Co., Ltd.
<u>Related company</u>	
Siam Truck Service Co., Ltd.	Common director

5.2 The Company and its subsidiaries have pricing policy for transactions with related parties as follows:

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

5.3 Significant transactions with related parties for the years ended December 31, 2018 and 2017 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Subsidiaries				
Sales of goods	-	-	98,803	42,189
Purchases of goods	-	-	5,941,048	4,515,442
Rental income	-	-	48,079	41,197
Management income	-	-	39,193	40,624
Dividend income	-	-	186,349	73,783
Other income	-	-	4,266	780
Other expense	-	-	53,720	58,687
Interest expense	-	-	5,283	9,905
Associates				
Sales	799	-	799	-
Other income	1,425	1,460	1,425	1,460
Related parties				
Other income	902	1,164	902	1,164
Other expense	3,720	3,686	2,818	2,719
Key management personnel				
Key management personnel compensation				
Short-term benefit	59,963	51,514	57,287	48,232
Post-employment benefits and other long-term benefits	4,847	2,657	4,847	2,657
	<u>64,810</u>	<u>54,171</u>	<u>62,134</u>	<u>50,889</u>



5.4 Balances with related parties as at December 31, 2018 and 2017 were as follows:

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Asset					
Trade accounts receivable					
Subsidiaries		-	-	2,857	299
Total		-	-	2,857	299
Less allowance for doubtful accounts		-	-	-	-
Net		-	-	2,857	299
Other receivables					
Subsidiaries		-	-	695	18,723
Associates		14	8	14	8
Related parties		75	69	75	69
Total		89	77	784	18,800
Less allowance for doubtful accounts		-	-	-	-
Net		89	77	784	18,800
Liabilities					
Trade accounts payable					
Subsidiaries		-	-	1,288,387	1,024,122
Related parties		7,626	8,087	7,557	7,940
Total		7,626	8,087	1,295,944	1,032,062

Loans

		Thousand Baht				
Interest rate (% per annum)		Consolidated financial statements		Separate financial statements		
2018	2017	2018	2017	2018	2017	
Short-term						
loans						
Subsidiaries	1.25 - 2.75	1.25 - 2.75	-	-	177,000	432,000
Net			-	-	177,000	432,000

Movements of loans from related parties for the years ended December 31, 2018 and 2017 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
At January 1,	-	-	432,000	352,000
Increase	-	-	30,000	80,000
Decrease	-	-	(285,000)	-
At December 31,	-	-	177,000	432,000

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

The Company entered into short-term loan agreement with SUSCO Retail Property Co., Ltd., which is a subsidiary of the Company, amounting to Baht 20 million with interest rate at 1.25% per annum and due on demand.

The Company entered into short-term loan agreement with SUSCO Property Co., Ltd., which is a subsidiary of the Company, amounting to Baht 50 million and 70 million with interest rate at 1.25% and 2.75% per annum, respectively and due on demand.

5.5 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 2018. The agreement can be renewable provided that both parties agree the conditions and further details of reagreement.

Management service agreements

The Company has management service agreements with the subsidiaries for the period of 1 year commencing from 1 May 2017 and 1 October 2018, whereby the Company provides advice with regard to the management and administration of the organization. The agreement can be renewable provided that both parties agree the conditions and further details of reagreement.

Rental agreement

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



6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Thoussnd Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash on hand	45,024	36,671	42,437	36,169
Deposits at banks - current accounts	51,761	25,552	50,243	21,367
Deposits at banks - savings accounts	356,235	327,514	78,589	114,614
Total	453,020	389,737	171,269	172,150

7. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade account receivable				
Relate parties	-	-	2,857	299
Other parties	962,393	806,784	403,268	368,356
Total	962,393	806,784	406,125	368,655
Less Allowance for doubtful debts	(12,697)	(14,143)	(7,600)	(7,564)
Net	949,696	792,641	398,525	361,091

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Bad debts	3,854	2,375	2,759	1,880
Doubtful debts (reversal)	(2,414)	(618)	(933)	1,401

Trade accounts receivable classified by ages of accounts consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Related parties				
Within credit term	-	-	2,857	299
Overdue:				
Less than 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total	-	-	2,857	299
<u>Less allowance for doubtful accounts</u>	-	-	-	-
	-	-	2,857	299
Other parties				
Within credit term	650,926	574,324	169,260	198,614
Overdue:				
Less than 3 months	294,651	215,259	224,051	159,790
3 - 6 months	4,005	643	2,243	412
6 - 12 months	1,476	2,968	53	1,430
Over 12 months	11,335	13,590	7,661	8,110
Total	962,393	806,784	403,268	368,356
<u>Less allowance for doubtful accounts</u>	(12,697)	(14,143)	(7,600)	(7,564)
	949,696	792,641	395,668	360,792
Net	949,696	792,641	398,525	361,091

8. INVENTORIES

Inventories consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Finished goods - oil	582,329	654,286	236,233	269,770
<u>Less</u> Allowance for decline in value	(36,633)	(17,297)	(19,382)	(6,638)
Net	<u>545,696</u>	<u>636,989</u>	<u>216,851</u>	<u>263,132</u>
Inventories recognized as an expense in				
Cost of sales of goods				
- Cost of sales of goods	26,619,384	21,836,133	16,797,182	14,212,442
- Reversal of write-down	<u>19,336</u>	<u>(2,088)</u>	<u>12,745</u>	<u>(1,273)</u>
Net	<u>26,638,720</u>	<u>21,834,045</u>	<u>16,809,927</u>	<u>14,211,169</u>

As at 31 December 2018 and 2017, inventories of the Company and its subsidiaries included the oil reserve, as required by law, which had been deposited at oil companies, totaling Baht 90 million and Baht 108 million, respectively. In addition, the Company and its subsidiaries had entered into contracts with another oil company to provide and store the reserve oil for the Company and its subsidiaries. Under the said contracts, the Company and its subsidiaries pays service fees as stated in the contracts.

9. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment consisted of:

	Thousand Baht			
	Consolidated financial statements			
	Available-for-sale investment		Dividend income	
	2018	2017	For the year ended December 31,	
			2018	2017
Investment in marketable equity securities				
Common stock	113,070	113,070	16,099	15,590
<u>Add</u> Unrealized gains on available-for-sale investment	<u>304,492</u>	<u>482,992</u>	<u>-</u>	<u>-</u>
Total	<u>417,562</u>	<u>596,062</u>	<u>16,099</u>	<u>15,590</u>

The movement of available-for-sale investments for the years ended December 31, 2018 and 2017, were as follows:

	Thousand Baht	
	Consolidated	
	Financial Statements	
	2018	2017
Beginning book value	596,062	462,187
Purchase of investments	-	-
Sale of investments	-	-
Changes in fair value	(178,500)	133,875 *
Ending book value	417,562	596,062

* Resulting from changes in the fair value of Bangkok Aviation Fuel Service Public Company Limited (BAFS). As at December 31, 2017, its price was Baht 46.75 per share and changed to be Baht 32.75 per share as at December 31, 2018.

10. INVESTMENT IN ASSOCIATES

Investment in associates consisted of:

		Thousand Baht					
				Consolidated financial statements		Separate financial statements	
		Percentage of shareholding (%)		Equity Method		Cost Method	
		Paid-up	As at	As at	As at	As at	As at
Type of	capital	December	December	December	December	December	December
business	(Thousand Baht)	31, 2018	31, 2017	31, 2018	31, 2017	31, 2018	31, 2017
<u>Associates</u>							
Siam Mongkol Marine Co., Ltd	marine	130,000	18.69	18.69	21,322	27,399	53,771
	transportation						
	services						
Less Allowance for impairment of investments				-	-	(26,372)	(26,372)
Net				21,322	27,399	27,399	27,399

Share of profit (loss) of investment in associates and dividend income for the year ended December 31, 2018 and 2017 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Siam Mongkol Marine Co., Ltd.</u>				
Share of profit (loss)	(3,038)	(2,160)	-	-
Share of other comprehensive income (expense)	(3,039)	706	-	-



Summarized financial information in respect of Siam Mongkol Marine Co., Ltd. (Associated company) of the material associate;

	Thousand Baht	
	2018	2017
Current assets	21,083	14,456
Non-current assets	265,111	227,388
Current liabilities	(93,047)	(43,188)
Non-current liabilities	(79,066)	(52,058)
Revenue	136,399	110,961
Loss for the year	(16,256)	(11,558)
Other comprehensive income (loss) for the year	(16,260)	3,780
Total comprehensive income for the year	(32,516)	(7,778)

Reconciliation of the above summarized financial information to the carrying amount of the interest in Siam Mongkol Marine Co., Ltd. recognized in the consolidated financial statements;

	Baht	
	2018	2017
Net assets	114,081	146,598
Proportion of the interest	18.69	18.69
Carrying amount of the interest	21,322	27,399

11. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

	Paid-up capital (million Baht)	Thousand Baht					
		Percentage of shareholding (%)		Separate financial statements		Dividend income	
		As at December 31, 2018	As at December 31, 2017	Cost method		For the year ended	
				As at December 31, 2018	As at December 31, 2017	December 31,	
						2018	2017
Subsidiaries (direct shareholding)							
Siam Mongkol Oil Co., Ltd.	48	99.99	99.99	47,999	47,999	-	-
SUSCO Retail Co., Ltd.	12	99.99	99.99	-	4,948	-	-
Sirijaroenwattana Co., Ltd.	120	99.99	99.99	120,000	120,000	-	-
SUSCO Dealers Co., Ltd.	2,364.83	100.00	100.00	1,754,270	1,754,270	186,349	73,783
Total				1,922,269	1,927,217	186,349	73,783

12. OTHER LONG-TERM INVESTMENTS

Other long-term investments consisted of:

Company's name	Thousand Baht					
	Percentage of shareholding (%)		Consolidated financial statements		Separate financial statements	
	As at December	As at December	As at December	As at December	As at December	As at December
	31, 2018	31, 2017	31, 2018	31, 2017	31, 2018	31, 2017
Khao Kheow Country Club Co.,Ltd.	0.84	0.84	45	45	45	45
L.P.Land Co.,Ltd.	0.10	0.10	72	72	72	72
Thai Petroleum Pipeline Co.,Ltd.	-	-	131	131	-	-
Total			248	248	117	117

13. INVESTMENT PROPERTIES

Investment properties consisted of:

	Thousand Baht				
	Consolidated financial statements				
	As at December	During the year			As at December
	31, 2017	Additions	Deduction	Reclassification	31, 2018
<u>At cost</u>					
Land	603,802	-	-	-	603,802
Building, petrol station and oil storage	1,274,933	21,757	(197,882)	(21,184)	1,077,624
Total	1,878,735	21,757	(197,882)	(21,184)	1,681,426
<u>Accumulated depreciation and impairment</u>					
Building, petrol station and oil storage	(992,452)	(48,058)	208,847	19,154	(812,509)
Total	(992,452)	(48,058)	208,847	19,154	(812,509)
Investment properties - net	886,283				868,917

	Thousand Baht				
	Consolidated financial statements				
	As at December	During the year			As at December
	31, 2016	Additions	Deduction	Reclassification	31, 2017
<u>At cost</u>					
Land	604,132	-	(330)	-	603,802
Building, petrol station and oil storage	1,658,413	6,893	(351,750)	(38,623)	1,274,933
Total	2,262,545	6,893	(352,080)	(38,623)	1,878,735
<u>Accumulated depreciation and impairment</u>					
Building, petrol station and oil storage	(1,336,642)	(46,669)	354,187	36,672	(992,452)
Total	(1,336,642)	(46,669)	354,187	36,672	(992,452)
Investment properties - net	925,903				886,283

Thousand Baht				
Separate financial statements				
As at December	During the year			As at December
31, 2017	Additions	Deduction	Reclassification	31, 2018
<u>At cost</u>				
Building, petrol station and oil storage	178,857	-	-	178,857
<u>Accumulated depreciation</u>				
Building, petrol station and oil storage	(88,666)	(8,299)	-	(96,965)
Investment properties - net	90,191			81,892

Thousand Baht				
Separate financial statements				
As at December	During the year			As at December
31, 2016	Additions	Deduction	Reclassification	31, 2017
<u>At cost</u>				
Building, petrol station and oil storage	178,857	-	-	178,857
<u>Accumulated depreciation</u>				
Building, petrol station and oil storage	(80,499)	(8,167)	-	(88,666)
Investment properties - net	98,358			90,191

Fair value

As at December 31, 2018 and 2017, the fair value of investment properties of Baht 1,408 million and Baht 1,189 million, respectively were 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.

14. PROPERTY PLANT AND EQUIPMENT

Property plant and equipment consisted of:

Thousand Baht						
Consolidated financial statements						
	As at December 31, 2017	Movement during the year				As at December 31, 2018
		Additions	Deduction	Transferred in (out)	Reclassification	
At cost						
Land	989,748	72,369	(2,256)	-	-	1,059,861
Building and petrol station	1,030,261	54,836	(41,850)	39,835	-	1,083,082
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	737,826	30,296	(3,967)	120	17,505	781,780
Furniture and fixture	71,562	2,850	(380)	-	3,679	77,711
Vehicles	45,255	2,119	(1,660)	-	-	45,714
Assets under construction and installation	10,197	55,688	-	(39,955)	-	25,930
Total	2,884,849	218,158	(50,113)	-	21,184	3,074,078
Accumulated depreciation and impairment						
Land	(19,542)	-	-	-	-	(19,542)
Building and petrol station	(765,440)	(46,975)	35,657	-	-	(776,758)
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	(553,693)	(42,609)	3,402	-	(15,715)	(608,615)
Furniture and fixture	(47,417)	(8,675)	372	-	(3,439)	(59,159)
Vehicles	(36,631)	(4,290)	1,660	-	-	(39,261)
Total	(1,422,723)	(102,549)	41,091	-	(19,154)	(1,503,335)
Property, plant and equipment, net	1,462,126					1,570,743

Thousand Baht						
Consolidated financial statements						
	As at December 31, 2016	Movement during the year				As at December 31, 2017
		Additions	Deduction	Transferred in (out)	Reclassification	
At cost						
Land	1,011,198	-	(21,450)	-	-	989,748
Building and petrol station	982,093	39,840	(2,253)	-	10,581	1,030,261
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	679,252	31,481	(11,182)	-	38,275	737,826
Furniture and fixture	61,474	9,453	(38)	-	673	71,562
Vehicles	47,149	1,226	(3,120)	-	-	45,255
Assets under construction and installation	1,409	19,694	-	-	(10,906)	10,197
Total	2,782,575	101,694	(38,043)	-	38,623	2,884,849
Accumulated depreciation and impairment						
Land	(19,542)	-	-	-	-	(19,542)
Building and petrol station	(725,540)	(48,505)	8,605	-	-	(765,440)
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	(491,040)	(37,722)	11,095	-	(36,026)	(553,693)
Furniture and fixture	(39,686)	(7,123)	38	-	(646)	(47,417)
Vehicles	(34,483)	(5,268)	3,120	-	-	(36,631)
Total	(1,310,291)	(98,618)	22,858	-	(36,672)	(1,422,723)
Property, plant and equipment, net	1,472,284					1,462,126



Thousand Baht						
Separate financial statements						
	As at	Movement during the year				As at
	December. 31, 2017	Additions	Deduction	Transferred in (out)	Reclassification	December 31, 2018
<u>At cost</u>						
Land	979,070	72,369	(2,256)	-	-	1,049,183
Building and petrol station	980,298	54,177	(41,850)	39,835	-	1,032,460
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	520,403	30,203	(3,967)	120	-	546,759
Furniture and fixture	67,698	3,056	(380)	-	-	70,374
Vehicles	44,500	2,119	(1,660)	-	-	44,959
Assets under construction and installation	10,197	55,688	-	(39,955)	-	25,930
Total	2,602,166	217,612	(50,113)	-	-	2,769,665
<u>Accumulated depreciation and impairment</u>						
Land	(19,542)	-	-	-	-	(19,542)
Building and petrol station	(737,250)	(44,593)	35,657	-	-	(746,186)
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	(416,424)	(32,056)	3,402	-	-	(445,078)
Furniture and fixture	(45,232)	(7,998)	372	-	-	(52,858)
Vehicles	(35,670)	(4,284)	1,660	-	-	(38,294)
Total	(1,254,118)	(88,931)	41,091	-	-	(1,301,958)
Property, plant and equipment, net	1,348,048					1,467,707

Thousand Baht						
Separate financial statements						
	As at	Movement during the year				As at
	December. 31, 2016	Additions	Deduction	Transferred in (out)	Reclassification	December 31, 2017
<u>At cost</u>						
Land	1,000,520	-	(21,450)	-	-	979,070
Building and petrol station	937,044	34,926	(2,253)	10,581	-	980,298
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	501,651	29,609	(11,182)	325	-	520,403
Furniture and fixture	59,586	8,150	(38)	-	-	67,698
Vehicles	46,394	1,226	(3,120)	-	-	44,500
Assets under construction and installation	1,409	19,694	-	(10,906)	-	10,197
Total	2,546,604	93,605	(38,043)	-	-	2,602,166
<u>Accumulated depreciation and impairment</u>						
Land	(19,542)	-	-	-	-	(19,542)
Building and petrol station	(699,678)	(46,177)	8,605	-	-	(737,250)
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	(398,447)	(29,072)	11,095	-	-	(416,424)
Furniture and fixture	(38,415)	(6,855)	38	-	-	(45,232)
Vehicles	(33,578)	(5,212)	3,120	-	-	(35,670)
Total	(1,189,660)	(87,316)	22,858	-	-	(1,254,118)
Property, plant and equipment, net	1,356,944					1,348,048

As at December 31, 2018 and 2017, the Company's properties with a net book value of Baht 743 million and Baht 739 million, respectively were pledged to secure bank loans (see Notes 18).

As at December 31, 2018 and 2017, the Company and its subsidiaries had assets which were fully depreciated but they are still in use with gross carrying amount of Baht 983 million and Baht 854 million, respectively (for the Company amounting to Baht 964 million and Baht 839 million, respectively).

As at December 31, 2018 and 2017, the Company and its subsidiaries had vehicle under the finance lease with its carrying amount of Baht 6.00 million and Baht 7.26 million, respectively (for the Company amounting to Baht 6.00 million and Baht 7.26 million, respectively).

15. LEASEHOLD RIGHTS

Leasehold rights are the rights obtained from the land lease contracts and its movements for the years ended December 31, 2018 and 2017 were summarized as follows:

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
Balance as at December 31, 2016	1,364,174	252,919
Acquisitions during the year	132,082	132,082
Disposals during the year	(137,268)	-
Balance as at December 31, 2017	1,358,988	385,001
Acquisitions during the year	119,908	119,908
Disposals during the year	(112,497)	(13,472)
Balance as at December 31, 2018	1,366,399	491,437
Accumulated amortization and impairment		
Balance as at December 31, 2016	(889,388)	(109,431)
Amortization for the year	(71,951)	(18,210)
Accumulated amortization on disposals for the year	137,214	-
Impairment losses during the year	6,801	4,457
Reversal of impairment losses for the year	67	-
Balance as at December 31, 2017	(817,257)	(123,184)
Amortization for the year	(73,048)	(27,233)
Accumulated amortization on disposals for the year	109,785	11,085
Impairment losses during the year	-	-
Reversal of impairment losses for the year	2,425	2,425
Balance as at December 31, 2018	(778,095)	(136,907)
Net book value		
Balance as at December 31, 2017	541,731	261,817
Balance as at December 31, 2018	588,304	354,530



16. INTANGIBLE ASSETS

Intangible assets consisted of:

	Thousand Baht			
	Consolidated financial statements			
	As at	Movements during the year		As at
	December 31, 2017	Additions	Deduction	December 31, 2018
<u>At cost</u>				
Software licenses	66,001	297	(1,748)	64,550
Trademarks	2,250	-	-	2,250
Rights to manage gas stations	120,000	-	-	120,000
Total	188,251	297	(1,748)	186,800
<u>Accumulated amortization</u>				
Software licenses	(52,205)	(4,755)	1,748	(55,212)
Trademarks	(325)	(785)	-	(1,110)
Rights to manage gas stations	(44,650)	(6,698)	-	(51,348)
Total	(97,180)	(12,238)	1,748	(107,670)
Intangible assets, net	91,071			79,130

	Thousand Baht			
	Consolidated financial statements			
	As at	Movements during the year		As at
	December 31, 2016	Additions	Deduction	December 31, 2017
<u>At cost</u>				
Software licenses	61,254	7,527	(2,780)	66,001
Trademarks	-	2,250	-	2,250
Rights to manage gas stations	120,000	-	-	120,000
Total	181,254	9,777	(2,780)	188,251
<u>Accumulated amortization</u>				
Software licenses	(50,402)	(4,583)	2,780	(52,205)
Trademarks	-	(325)	-	(325)
Rights to manage gas stations	(37,952)	(6,698)	-	(44,650)
Total	(88,354)	(11,606)	2,780	(97,180)
Intangible assets, net	92,900			91,071

Thousand Baht				
Separate financial statements				
	As at	Movements during the year		As at
	December 31, 2017	Additions	Deduction	December 31, 2018
<u>At cost</u>				
Software licenses	29,020	297	(25)	29,292
Trademarks	2,250	-	-	2,250
Total	31,270	297	(25)	31,542
<u>Accumulated amortization</u>				
Software licenses	(18,073)	(3,487)	25	(21,535)
Trademarks	(325)	(785)	-	(1,110)
Total	(18,398)	(4,272)	25	(22,645)
Intangible assets, net	12,872			8,897

Thousand Baht				
Separate financial statements				
	As at	Movements during the year		As at
	December 31, 2016	Additions	Deduction	December 31, 2017
<u>At cost</u>				
Software licenses	24,066	4,954	-	29,020
Trademarks	-	2,250	-	2,250
Total	24,066	7,204	-	31,270
<u>Accumulated amortization</u>				
Software licenses	(15,455)	(2,618)	-	(18,073)
Trademarks	-	(325)	-	(325)
Total	(15,455)	(2,943)	-	(18,398)
Intangible assets, net	8,611			12,872



17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets	7,525	11,267	17,231	18,093
Deferred tax liabilities	(94,222)	(134,589)	(220)	(220)
Deferred tax assets (liabilities) - net	(86,697)	(123,322)	17,011	17,873

Movements for the years ended December 31, 2018 and 2017 were summarized as follows:

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2017	In profit or loss	In other	December 31, 2018
			comprehensive income	
Deferred tax assets:				
Trade and other account receivables	3,601	(576)	-	3,025
Long-term investments	711	-	-	711
Property, plant and equipment and investment				
investment properties	404	(4,464)	-	(4,060)
Employee benefit obligations	6,551	1,298	-	7,849
Total	11,267	(3,742)	-	7,525
Deferred tax liabilities:				
Long-term investments	(96,598)	-	35,700	(60,898)
Leasehold rights	(37,771)	4,671	-	(33,100)
Other non-current assets	(220)	-	-	(220)
Other payable	-	(4)	-	(4)
Total	(134,589)	4,667	35,700	(94,222)
Deferred tax assets (liabilities) - net	(123,322)			(86,697)

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2016	In profit or loss	In other comprehensive income	December 31, 2017
Deferred tax assets:				
Trade and other account receivables	4,276	(675)	-	3,601
Long-term investments	711	-	-	711
Property, plant and equipment and investment 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
Deferred tax liabilities:				
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)
Deferred tax assets (liabilities) - net	(92,423)			(123,322)

Thousand Baht				
Separate financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2017	In profit or loss	In other comprehensive income	December 31, 2018
Deferred tax assets:				
Trade and other account receivables	2,523	(186)	-	2,337
Long-term investments	711	-	-	711
Property, plant and equipment and investment investment properties	7,524	(1,444)	-	6,080
Leasehold rights	938	(486)	-	452
Employee benefit obligations	6,397	1,254	-	7,651
Total	18,093	(862)	-	17,231
Deferred tax liabilities:				
Other non-current assets	(220)	-	-	(220)
Total	(220)	-	-	(220)
Deferred tax assets (liabilities) - net	17,873			17,011

Thousand Baht				
Separate financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2016	In profit or loss	In other comprehensive income	December 31, 2017
Deferred tax assets:				
Trade and other account receivables	2,241	282	-	2,523
Long-term investments	711	-	-	711
Property, plant and equipment and investment 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	(642)	200	18,093
Deferred tax liabilities:				
Other non-current assets	(220)	-	-	(220)
Total	(220)	-	-	(220)
Deferred tax assets (liabilities) - net	18,315			17,873

As at December 31, 2018 and 2017, several subsidiaries had an accumulated loss (in tax) that was still unused of approximately Baht 84 million and Baht 209 million, respectively. The subsidiaries above did not record deferred tax assets from such loss because there was an uncertainty whether the subsidiary would have enough profit to utilize the benefits from deferred tax assets or not.



18. SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Short-term loan from financial institution consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Promissory note	230,000	70,000	230,000	70,000
Trust receipts	300,000	160,000	300,000	160,000
Total	530,000	230,000	530,000	230,000

As at December 31, 2018 and 2017, The Company has short-term credit facilities with a bank which consist of letter of credit and/or trust receipts and promissory note at the amount of Baht 3,884 million and Baht 3,424 million, respectively.

19. TRADE ACCOUNTS PAYABLE

Trade accounts payable consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Related parties	7,627	8,087	1,295,943	1,032,062
Other parties	1,239,562	1,092,964	355,128	388,689
Total	1,247,189	1,101,051	1,651,071	1,420,751

20. OTHER PAYABLES

Other payables consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accrued operating expenses	139,811	155,502	125,900	129,156
Deposits and advances received	69,235	52,600	61,199	44,356
Others	55	58	20	21
Total	209,101	208,160	187,119	173,533

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Long-term loans from financial institution	-	329,665	-	329,665
<u>Less</u> Current portion due within one year	-	(179,665)	-	(179,665)
Long-term loans, net	-	150,000	-	150,000

Details of the long-term loans as at December 31, 2018 and 2017 were as follows:

The Company

Details	Thousand Baht	
	Consolidated financial statements / Separate financial statements	
	2018	2017
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
2) Baht 300 million Credit Facility Agreement at interest THBFIX plus 3.58%, payable in quarterly instalments commencing in September 2017.	-	250,000
Total	-	329,665

Long-term loans as at December 31, 2018 and 2017 were secured on the following assets:

	Thousand Baht	
	Consolidated financial statements / Separate financial statements	
	2018	2017
Property	743,101	739,409
Cash at banks	10,000	10,000
Total	753,101	749,409



22. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements were consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Liabilities under finance lease agreements	4,025	5,156	4,025	5,156
<u>Less</u> deferred interest	(225)	(296)	(225)	(296)
	3,800	4,860	3,800	4,860
<u>Less</u> current portion within one year	(1,815)	(2,534)	(1,815)	(2,534)
Liabilities under finance lease agreements - net	1,985	2,326	1,985	2,326

	Thousand Baht					
	Consolidated financial statements / Separate financial statements					
	2018			2017		
	Principal	Deferred	Total	Principal	Deferred	Total
		interest			interest	
Payment due within 1 year	1,953	(138)	1,815	2,725	(191)	2,534
Payment due over 1 year to						
5 years	2,072	(87)	1,985	2,431	(105)	2,326
Total	4,025	(225)	3,800	5,156	(296)	4,860

As at December 31, 2018, the Company has finance lease agreements of rental vehicles with 4 local leasing companies which has 18 finance lease agreements in the total lease amount of Baht 12 million. Installments are due on a monthly basis over 48 months in monthly of Baht 4.02 million.

Under the term of the lease agreements, the Company shall have to comply with certain conditions and restrictions as specified in the lease agreements.

23. EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance	38,725	31,325	37,974	30,645
Benefits paid by the plan during the year	(1,703)	(701)	(1,703)	(701)
Current service costs and interest during the year	8,232	7,266	7,973	7,031
Actuarial (gains) losses	-	835	-	999
Ending balance	45,254	38,725	44,244	37,974

Expense recognized in the statements of comprehensive income:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current service costs				
Administrative expenses	7,384	6,441	7,142	6,224
Interest on obligation	848	825	831	807
Total	8,232	7,266	7,973	7,031

Actuarial losses

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Actuarial losses arising from				
Changes in demographic assumptions	-	1,041	-	990
Changes in financial assumptions	-	1,152	-	1,128
Experience adjustments	-	(1,358)	-	(1,119)
Total	-	835	-	999

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 and 2017 are summarized below:

	Thousand Baht			
	2018			
	Consolidate financial statements		Separate financial statements	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(3,601)	4,080	(3,529)	3,999
Salary increase rate	4,576	(4,090)	4,483	(4,006)
Turnover rate	(3,855)	1,093	(3,776)	1,072

	Thousand Baht			
	2017			
	Consolidate financial statements		Separate financial statements	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(3,119)	3,536	(3,062)	3,471
Salary increase rate	3,563	(3,205)	3,498	(3,146)
Turnover rate	(3,334)	942	(3,272)	926

Principal actuarial assumptions at the reporting date

	2018		2017	
	Percentage		Percentage	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Discount rate	2.22 - 2.25	2.25	2.22 - 2.25	2.25
Salary increase rate	5	5	5	5
Employee turnover rate				
Below 31 years	30 - 50	50	30 - 50	50
31 - 40 years	28 - 36	28	28 - 36	28
41 - 50 years	13 - 18	14	13 - 18	14
Above 50 years	-	-	-	-
Disability rate	5.00 of mortality rate	5.00 of mortality rate	5.00 of mortality rate	5.00 of mortality rate
Mortality rate	100.00 of Thai mortality table 2017	100.00 of Thai mortality table 2017	100.00 of Thai mortality table 2017	100.00 of Thai mortality table 2017

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement. The Company and its subsidiaries recognize the increase in the employee benefits obligations approximately Baht 11.09 million (for the company approximately Baht 11.00 million and Baht 0.09 million), resulting in the decrease in profit approximately Baht 8.87 million (for the company approximately Baht 8.80 and Baht 0.07 million), respectively.

24. SHARE PREMIUM

According to the provision of the Public Limited Companies Act, the Company is required 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.

25. 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.

26. LEGAL RESERVE

According to the provision of the Public Limited Companies Act, the Company is required to set aside as statutory reserve at least 5% of its net income after deduction accumulated deficit bought forward (if any), until the reserve reaches 10% of the registered capital. The legal reserve is not available for dividend distribution.

27. OPERATING SEGMENT

The Company and its subsidiaries operate in a single line of business, namely the fuel and energy business. The 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 Company and its subsidiaries operate in one major business segment.

The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

Information about geographical areas

The Company and its subsidiaries' revenue from sales separated by geographical area for the years ended December 31, 2018 and 2017, were summarized as follows:

	Thousand Baht	
	Consolidated financial statements	
	2018	2017
Thailand	19,963,593	16,798,807
Cambodia	7,103,811	5,631,502
Myanmar	480,949	463,542
Laos	278,200	172,635
China	55,516	29,029
Total	27,882,069	23,095,515

Information about major customers

The Company and its subsidiaries' revenue from sales from their major customers which more than 10% of total revenue from sales for the years ended December 31, 2018 and 2017, were summarized as follows:

Major customer	Number of customer		Thousand Baht	
	Consolidated financial statements		Consolidated financial statements	
	2018	2017	2018	2017
Customers in Cambodia	2	2	7,103,811	5,631,502

28. OTHER INCOME

Other income consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Management fee	-	-	39,194	40,624
Gain on disposal of assets	22,065	-	21,388	-
Utilities charges	15,086	15,518	18,493	15,860
Reversal loss on impairment of assets	30,214	14,398	9,647	-
Gain on exchange rate	13,466	9,363	13,464	9,322
Through-put charge services	8,720	7,196	8,720	7,196
Revenue from sale of beverage	7,891	6,032	7,891	6,032
Transportation income	5,301	4,325	4,399	3,376
Interest income	2,026	5,140	912	3,357
Others	26,516	23,876	25,494	15,941
Total	131,285	85,848	149,602	101,708

29. CONTRIBUTION COSTS

Contribution costs consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Personnel expenses	243,617	216,791	223,117	206,569
Depreciation and amortization	186,039	162,874	87,496	55,676
Rental expenses	127,312	119,948	150,414	136,554
Transportation expenses	116,575	104,290	112,423	103,295
Utilities and facilities expenses	57,362	55,903	54,560	53,989
Promotion expenses	55,731	51,469	49,737	50,361
Maintenance expenses	17,811	18,733	12,999	12,842
Others	71,471	63,850	58,127	48,104
Total	875,918	793,858	748,873	667,390

30. ADMINISTRATIVE EXPENSES

Administrative expense consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Personnel expenses	192,208	172,541	181,603	161,951
Depreciation and amortisation	58,762	59,477	50,149	50,010
Bank charges	20,947	24,302	20,472	23,851
Maintenance expenses	18,363	16,373	16,965	15,708
Loss on disposal of assets	648	12,395	-	7,996
Loss on impairment of investment	-	-	-	10,925
Rental expenses	7,908	9,406	7,913	9,162
Others	58,973	74,980	33,951	37,172
Total	357,809	369,474	311,053	316,775

31. EMPLOYEE BENEFIT EXPENSE

Employee benefit expense consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Wages and salaries	317,241	296,398	292,979	279,876
Provident fund	7,772	7,077	7,594	6,942
Others	110,812	85,857	104,147	81,702
Total	435,825	389,332	404,720	368,520



Provident fund

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act.

The Company's and its subsidiaries' contributions for the years ended December 31, 2018 and 2017 were amounted to Baht 7,772 million and Baht 7,077 million (for the Company were amounted to Baht 7,594 million and Baht 6,942 million), respectively.

32. EXPENSES BY NATURE

Expense by nature consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Changes in inventories of finished goods	91,293	(79,461)	46,280	(17,580)
Cost of sales of finished goods	26,547,427	21,913,506	16,763,647	14,228,748
Personal expenses	435,825	389,332	404,719	368,520
Depreciation and amortisation	244,801	222,351	137,645	105,686
Rental expenses	135,219	129,354	158,327	145,716
Transportation expenses	116,575	104,290	112,423	103,295
Utilities and facilities expenses	65,774	65,569	61,318	61,937
Promotion expenses	55,731	51,469	49,737	50,361
Maintenance expenses	36,175	35,106	29,964	28,550
Loss on impairment of investment	-	-	-	10,925
Others	143,627	165,861	105,793	109,176
Total	27,872,447	22,997,377	17,869,853	15,195,334

33. FINANCE COSTS

Finance costs consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Interest expenses				
Related parties	-	-	4,852	9,905
Other parties	20,244	25,820	16,460	21,918
Total	20,244	25,820	21,312	31,823

34. TAX EXPENSE (TAX INCOME)

34.1 Major components of income tax expense (tax income) for the years ended December 31, 2018 and 2017 consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the period	66,269	76,555	39,518	43,386
Additional for prior period	-	96,187	-	-
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(924)	4,291	862	641
Total	65,345	177,033	40,380	44,027
Income tax relating to components of other comprehensive income:				
Gain (loss) on remeasuring available for sale investment	35,700	(26,775)	-	-
Total	35,700	(26,775)	-	-

34.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2018 and 2017 which were summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit (loss) for the year	349,025	399,580	391,998	309,710
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	69,805	79,916	78,400	61,942
Any adjustments recognized in the year for current tax				
Of previous year	-	96,187	-	-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	20,626	26,823	4,405	3,158
Tax effect of income that are not required in determining taxable profit and expenses allowed as additional in determining tax profit	(17,554)	(20,603)	(43,487)	(17,844)
The amount of previously unrecognized tax losses for a prior year that is used to reduce current tax expense	(6,808)	(5,711)	-	-
(Over) under provided in prior years	200	(3,870)	200	(3,870)
Deferred tax expense arising from the write-down of deferred tax asset	(924)	4,291	862	641
Total reconciliation items	(4,460)	930	(38,020)	(17,915)
Total tax expense (income)	65,345	177,033	40,380	44,027

34.3 A numerical reconciliation between tax average effective tax rate and the application tax rate for the years ended December 31, 2018 and 2017 were summarized as follows:

	Consolidated financial statements			
	2018		2017	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	349,025		399,580	
Tax expense (income) at the applicable tax rate	69,805	20.00	79,916	20.00
Reconciliation items	(4,460)	(1.28)	97,117	24.30
Tax expense (income) at the average effective tax rate	65,345	18.72	177,033	44.30

	Separate financial statement			
	2018		2017	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	391,998		309,710	
Tax expense (income) at the applicable tax rate	78,400	20.00	61,942	20.00
Reconciliation items	(38,020)	(9.70)	(17,915)	(5.78)
Tax expense (income) at the average effective tax rate	40,380	10.30	44,027	14.22

35. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares which are issued and paid-up during the year.

Diluted earnings per share is computed by dividing profit for the years by the aggregate amount of the weighted average number of ordinary shares issued during the years and the weighted average number of ordinary shares which the Company may have to issue for conversion of warrants to ordinary shares.

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit (loss) for the period of parent company	(Thousand Baht)	283,680	222,547	351,618	265,683
Weighted average number of ordinary shares	(Thousand shares)	1,100,000	1,100,000	1,100,000	1,100,000
Weighted average number of ordinary shares under warrants (SUSCO-W1)	(Thousand shares)	-	-	-	-
Number of ordinary shares that would have been issued at fair value	(Thousand shares)	-	-	-	-
Weighted average number of ordinary share plus effect of assumed conversion	(Thousand shares)	1,100,000	1,100,000	1,100,000	1,100,000
Basic earnings (loss) per share	(Baht per share)	0.26	0.20	0.32	0.24
Diluted earnings (loss) per share	(Baht per share)	0.26	0.20	0.32	0.24

However, the Company did not include the warrant in calculating the diluted earnings per shares from warrant because the average share price during this year was lower than the exercise price.

36. DIVIDEND

Year 2018

At the Annual Shareholder's Meeting held on April 19, 2018, the shareholders approved the dividend of the second half year of 2017 at Baht 0.09 per share, totaling Baht 99 million, which will be paid on May 8, 2018.

At the Board of Directors Meeting held on August 9, 2018, the shareholders approved the interim dividend of the year of 2018 at Baht 0.05 per share, totaling Baht 55 million, which will be paid on September 7, 2018.

Year 2017

At the Annual Shareholder's Meeting held on April 25, 2017, the shareholders approved the dividend of the second half year of 2016 at Baht 0.06 per share, totaling Baht 66 million, which will be paid on May 16, 2017.

At the Board of Directors Meeting held on August 31, 2017, the shareholders approved the interim dividend of the year of 2017 at Baht 0.02 per share, totaling Baht 22 million, which will be paid on September 29, 2017.



37. FINANCIAL INSTRUMENTS

37.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiaries do not hold or issue derivative financial instruments for speculative or trading purposes.

37.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans and long-term. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provided significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 2018, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Thousand Baht				
	Consolidated financial statements				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	356,235	-	96,785	453,020	0.10 - 0.40
Trade and other accounts receivable	-	-	1,061,327	1,061,327	-
Investments	-	-	248	248	-
<u>Financial liabilities</u>					
Bank overdraft and short-term loans from					
financial institutions	-	530,000	-	530,000	2.40 - 2.80
Trade and other accounts payable	-	-	1,456,290	1,456,290	-
Finance lease liabilities	3,800	-	-	3,800	2.47 - 4.62

	Thousand Baht				
	Separate financial statements				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	78,589	-	92,680	171,269	0.10 - 0.40
Trade and other accounts receivable	-	-	473,918	473,918	-
Investments	-	-	117	117	-
<u>Financial liabilities</u>					
Bank overdraft and short-term loans from financial institutions	-	530,000	-	530,000	2.40 - 2.80
Trade and other accounts payable	-	-	1,838,190	1,838,190	-
Short - term loan from related parties	-	177,000	-	177,000	1.25 - 2.75
Finance lease liabilities	3,800	-	-	3,800	2.47 - 4.62

37.3 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily relating to trade accounts receivable. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

37.4 Foreign currency risk

The Company and its subsidiary companies incurred risk foreign currencies exchange due to the Company and its subsidiaries had transaction of sales which were denominated in foreign currencies. the Company and its subsidiaries had hedged as they believed appropriate the foreign currencies risk using forward contract against risk on exchange rates. As of December 31, 2018 and and 2017, the Company and its subsidiaries had outstanding foreign exchange contracts and constitutes foreign currencies assets which mainly due within one year as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade account receivables - US Dollars				
Carrying amount on statement of financial position	429,040	351,636	184,484	174,568
Currency forwards	(139,222)	(98,736)	(139,222)	(98,736)
Net exposure	289,818	252,900	45,262	75,832



37.5 Liquidity risk

The Company and its subsidiaries manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's and its subsidiaries' operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

37.6 Fair value of financial instruments

As at December 31, 2018 and 2017, the Company and its subsidiaries had the following assets that were measured at fair value using different levels of inputs as follows:

		Thousand Baht			
		Consolidated financial statements			
		2018			
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Asset					
Available-for-sale investment-equity securities	417,562	417,562	-	-	417,562
Forward foreign exchange contracts	-	-	139,222	-	139,222

		Thousand Baht			
		Consolidated financial statements			
		2017			
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Asset					
Available-for-sale investment-equity securities	596,062	596,062	-	-	596,062
Forward foreign exchange contracts	-	-	98,736	-	98,736

		Thousand Baht			
		Separate financial statements			
		2018			
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Asset					
Available-for-sale investment-equity securities	-	-	-	-	-
Forward foreign exchange contracts	-	-	139,222	-	139,222

		Thousand Baht			
		Separate financial statements			
		2017			
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Asset					
Available-for-sale investment-equity securities	-	-	-	-	-
Forward foreign exchange contracts	-	-	98,736	-	98,736

During the year, there were no change in the classification of financial assets.

The fair values of equity securities available for sale are based on the net asset value as of the reporting date

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 Company and its subsidiaries and counterparty when appropriate.

38. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2018, the Group's debt-to-equity ratio was 0.64 : 1 (as at December 31, 2017 was 0.61 : 1) and the Company's was 1.12 : 1 (as at December 31, 2017 was 1.25 : 1).

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

Thousand Baht				
Consolidated financial statements				
2018				
Balance as at January 1, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase Translation on exchange rate		Balance as at December 31, 2018
Short-term loans from financial institutions	230,000	300,000	-	530,000
Long-term loan from financial institutions	329,665	(329,665)	-	-
Finance lease liabilities	4,860	(1,060)	-	3,800
Total	564,525	(30,725)	-	533,800

Thousand Baht				
Consolidated financial statements				
2017				
Balance as at January 1, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase Translation on exchange rate		Balance as at December 31, 2017
Short-term loans from financial institutions	300,000	(70,000)	-	230,000
Long-term loan from financial institutions	331,415	(1,750)	-	329,665
Finance lease liabilities	7,529	(2,669)	-	4,860
Total	638,944	(74,419)	-	564,525



Thousand Baht				
Separate financial statements				
2018				
Balance as at January 1, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase Translation on exchange rate		Balance as at December 31, 2018
Short-term loans from financial institutions	230,000	300,000	-	530,000
Short-term loan from related parties	432,000	(255,000)	-	177,000
Long-term loan from financial institutions	329,665	(329,665)	-	-
Finance lease liabilities	4,860	(1,060)	-	3,800
Total	996,525	(285,725)	-	710,800

Thousand Baht				
Separate financial statements				
2017				
Balance as at January 1, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase Translation on exchange rate		Balance as at December 31, 2017
Short-term loans from financial institutions	300,000	(70,000)	-	230,000
Short-term loan from related parties	352,000	80,000	-	432,000
Long-term loan from financial institutions	331,415	(1,750)	-	329,665
Finance lease liabilities	7,529	(2,669)	-	4,860
Total	990,944	5,581	-	996,525

* Financing cash flows included net proceed and repayment cash transactions in the statement of cash flows.

40. COMMITMENTS AND CONTINGENT LIABILITIES

40.1 Operating lease

Thousand Baht				
	Consolidated financial		Separate financial	
	statements		statements	
	2018	2017	2018	2017
Non-cancellable operating lease				
Within one year	139,001	104,644	111,873	75,553
After one year but within five years	449,855	370,423	347,767	263,553
After five years	825,565	636,793	709,797	498,998
Total	1,414,421	1,111,860	1,169,437	838,104

40.2 Significant Agreements

Aviation Fuels Sale Agreements

As at December 31, 2018, 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 December 31, 2018, the Company had no obligations on the forward oil price contracts. However, the Company still pledges its Bank Deposit Book with a local bank as collateral for future forward oil price contracts.

Forward foreign exchange contracts

As at December 31 2018, the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 4.27 million (equal to Baht 139.22 million) with maturity date in January 2019.

Construction contracts

As at December 31, 2018, the Company had obligation on construction contracts of petrol station in the amount of Baht 10.78 million. The such contract will be due within September 2018 and January 2019.

40.3 Letter of guarantee from banks

As at December 31 2018, the Company and its subsidiaries had contingent liabilities for the letter of guarantees issued by the bank in the total amount of Baht 1,827.07 million. (for the Company amount of Baht 1,204.40 million).

41. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows



TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives

TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

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

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

42. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's board of directors on February 27, 2019.



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