



# SUSCO

SUSCO PUBLIC COMPANY LIMITED



ANNUAL REPORT  
2019



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In 2019, the Thai economy grew around 2.4 %, affected by quite a lot of negative factors, especially in export sector that had been directly affected by the strength of the THB currency, causing slow in economic expansion. In the last quarter of the year, the Thai economy grew by only 1.6%, showing that 2020 would be a difficult year for the business sector. Previously, it was expected that the government economic stimulus policies would help boost the economy by 2020, but at the beginning of the year, there was the outbreak of the COVID-19 virus, causing the most important economic engine in Thailand, the tourism sector, stumbled down, despite being an important tourist season and still cannot clearly predict how serious the impact would be since the virus have already spread through many countries. We can only hope that all countries will cooperate and able to control the spread as soon as possible. If there are no additional negative factors, it is estimated that Thai economy will grow at only 1.5-2.5 % in 2020, which is considered quite low. The business sectors must, therefore, be very careful in selling products, services, and investments, because the debt in the system seems to be increased in accordance with economic conditions.

In the year 2019, the world oil prices gradually increased steadily from the low oil prices base at the beginning of the year at approximately 58 USD/bbl (Dubai) to around 65 USD/bbl in the end of the year but the average oil prices were still lower than those of 2018. For the year 2020, it was former predicted that the world oil prices would be slightly higher than the average of 2019. However, at the beginning of the year, there was a tension between the United States and Iran causing oil prices to rise sharply in a short time, but after that the price dropped dramatically because of the spread of the virus Covid-19, causing the concern that the global economy may stumble, especially in China, which was the source of the outbreak, causing the decreasing in the demand for oil usage that might not grow as expected. In the year 2020, it is likely that the oil prices may be highly fluctuated because there are various factors that might have negative impacts on oil prices at all times. Therefore, we need to monitor the situation closely.

For the Company's business in year 2019, the sales volume of finished products was 1,394 million liters, increased from 1,259 million liters or 10.7% in 2018, higher than the target set by the Company at 8%. The main growth came from the sales of aviation fuel which grew 29% from the previous year, due to the market expansion. The Company's domestic oil retail sales and exports grew by 2 and 3.6% respectively, considered that the Company achieved its goals overall, despite the sales of finished oil products in Thailand only increased by 1.2% in 2019. For the year 2020, it is estimated that the domestic consumption of oil in Thailand grew around 1.8%. The Company has set the overall target oil sales growth at 8%, same as last year. However, in the first quarter of 2020, there was a negative factor regarding the outbreak of the virus mentioned above which has a great impact on the economy. The Company still has to assess the situation closely for various investments in accordance with the following conditions.

For the 2019 Company's performance, the Company and its subsidiaries had total revenue of Baht 28,144 million, close to Bath 28,245 million in 2018, despite the sales volume increasing by 10.7% due to the average oil prices in 2019 was lower than 2018. The Company had a net profit of Baht 388 million, an increase of Baht 105 million from Baht 283 million in 2018, showing that the overall performance of the Company was still growing well.

For the year 2020, the Company plans to expand the number of service stations by 10 to 20 more and still using the strategy to choose the service stations' locations that are in community areas and build a regular customer base in order to expand business firmly. The Company continues to cooperate with additional business partners to provide various services in the Company's service stations in order to diverse and attract more customers, such as, convenience stores, leading



coffee stores, and restaurants, according to the potential of each station to meet the needs of consumers that are becoming increasingly complex and diverse. 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 use the service continuously.

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



**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 2020, 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 2020 by approximately 8% from 2019, 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 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 August 18, 2017, The Company was certified by Thailand's Private Sector Collective Action Coalition Against Corruption.

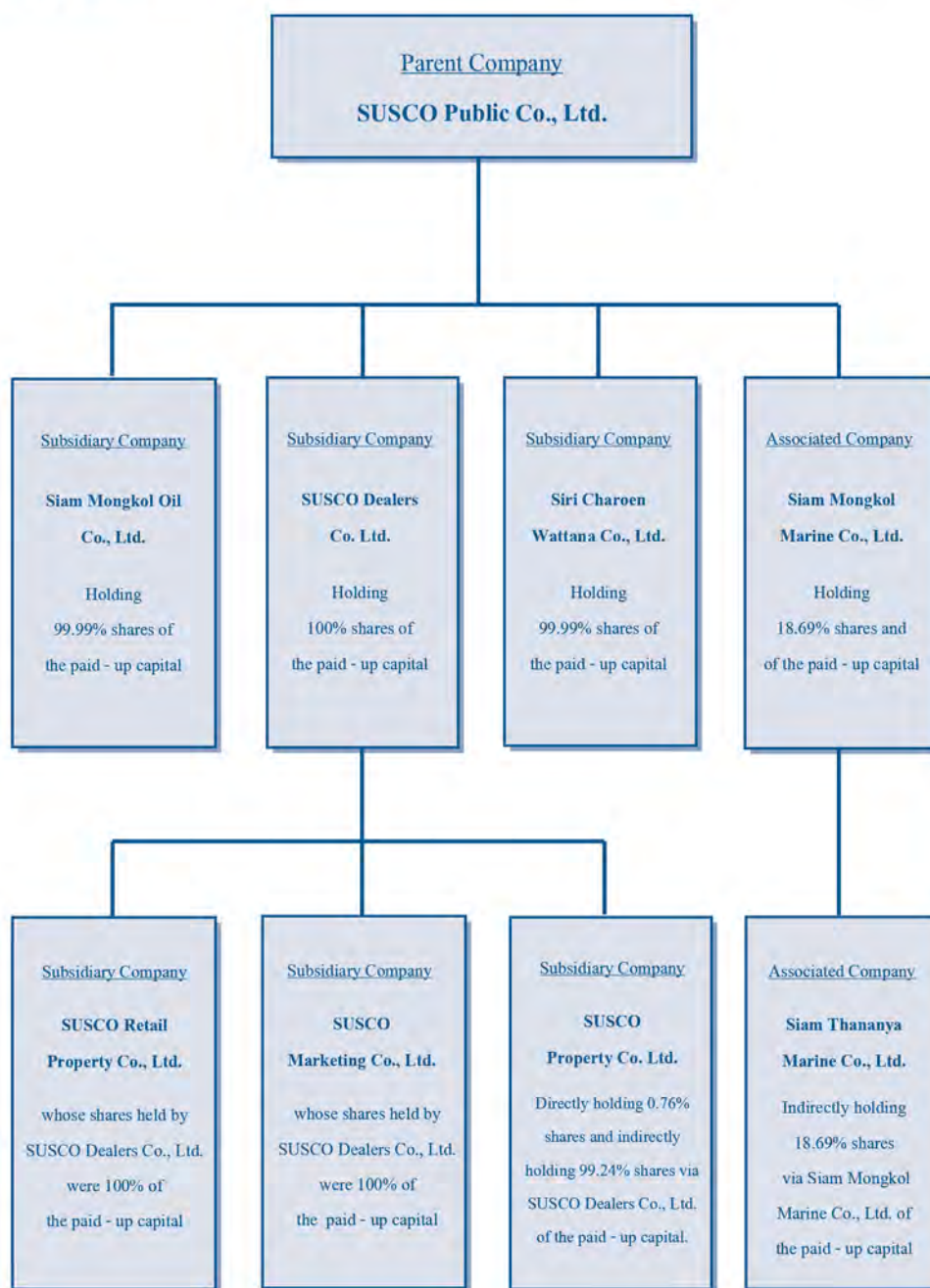
On February 28, 2019, the Board of Directors’ Meeting No. 2/2562 approved the Share Repurchase Project for Financial Management purpose, in the maximum amount of Baht 325 million, being the number of shares to be repurchased not to exceed 110,000,000 shares or 10.00 percent of the total issued shares. At the end of the project, the Company repurchased a total of 50,005,500 shares or 4.55 percent of the total issued shares.

On August 29, 2019, the Board of Directors’ Meeting No. 9/2562 reviewed the Corporate Governance Code (CG Code) to apply with the Company’s business context.

As of December 31, 2019, the Company owned 3 oil depots, namely: Ratburana Oil Depot, Surat Thani Oil Depot, and Songkhla Oil Depot, and also had many joint 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 239 petrol stations scattered almost throughout the country; 197 stations were operated by the Company and 42 stations were operated by dealers.



**1.3 Shareholding Structures of the Company in its Subsidiaries and Associates, as of December 31, 2019,  
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	2019		2018		2017	
			Million Baht	%	Million Baht	%	Million Baht	%
SUSCO PLC (Parent Company)	Selling fuel oils, natural gas, and lubricants	-	17,577.55	51.08	18,283.16	52.36	15,536.87	54.59
SUSCO Retail Co., Ltd. <sup>(1)</sup> (Subsidiary Company)	Selling fuel oils and operating minimart in service stations	99.99	0.00	0.00	0.02	0.00	0.08	0.00
Siam Mongkol Oil Co., Ltd. (Subsidiary Company)	Selling fuel oils, LPG and operating minimart in service stations	99.99	2,462.98	7.16	2,451.43	7.02	1,099.93	3.86
Siri Charoen Wattana Co., Ltd. (Subsidiary Company)	Operating and managing two natural gas stations	99.99	34.95	0.10	34.38	0.10	39.25	0.14
SUSCO Dealers Co., Ltd. (Subsidiary Company)	Selling fuel oils	100.00	14,011.59	40.72	13,918.04	39.86	11,537.03	40.53
SUSCO Retail Property Co., Ltd. (Subsidiary Company)	Land and petrol stations leasing	100% Indirectly via SUSCO Dealers Co., Ltd.	29.13	0.08	31.74	0.09	35.59	0.13
SUSCO Marketing Co., Ltd. (Subsidiary Company)	Selling fuel oils and licensing the use of trademark.	100% Indirectly via SUSCO Dealers Co., Ltd.	160.67	0.47	29.66	0.08	70.94	0.25
SUSCO Property Co., Ltd. (Subsidiary Company)	Land and petrol stations leasing	0.76% Directly and 99.24% indirectly via SUSCO Dealers Co., Ltd.	25.29	0.07	35.94	0.10	31.96	0.11
Siam Mongkol Marine Co., Ltd. (Associated Company)	Oil marine tanker	18.69	59.70	0.17	106.85	0.31	85.08	0.30
Siam Thananya Marine Co., Ltd. (Associated Company)	Oil marine tanker	18.69 Indirectly via Siam Mongkol Marine Co., Ltd.	50.80	0.15	29.72	0.08	25.91	0.09
SUSCO Media Joint Venture (Joint Venture)	Advertising services	50% Indirectly via SUSCO Marketing Co., Ltd.	0.02	0.00	0.00	0.00	0.00	0.00
<b>Total</b>			<b>34,412.68</b>	<b>100.00</b>	<b>34,920.94</b>	<b>100.00</b>	<b>28,462.64</b>	<b>100.00</b>

Remark: <sup>(1)</sup> 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 Bangkok Metropolitan Region, Large communities, and tourist attractions in the provinces. 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.

### 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.
- PTG Energy Public Co., Ltd.
- The Siam Chemicals Public Co., Ltd.
- P.C. Siam Petroleum 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 “tem 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.



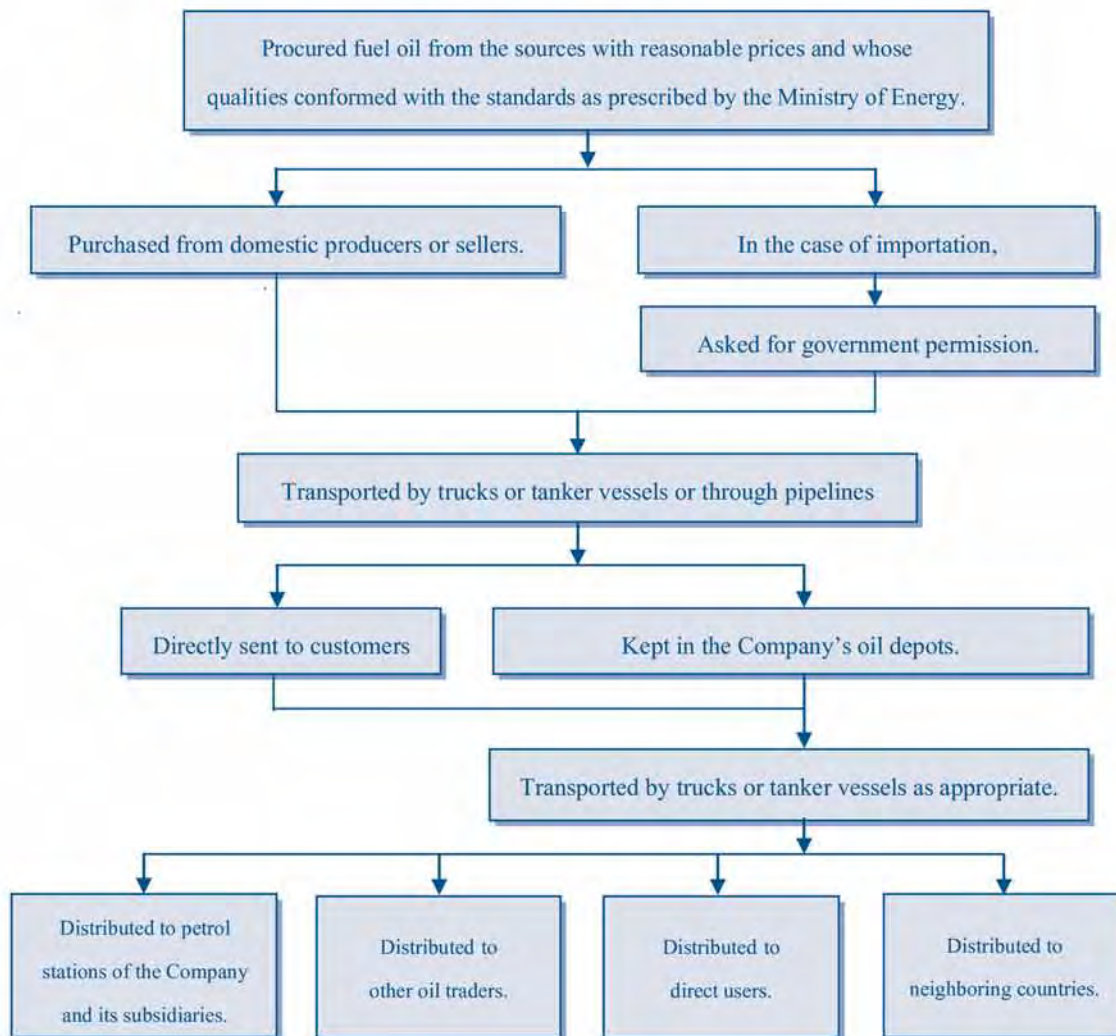
### Weaknesses

- 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 2019, there were 239 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, electricity generation, construction, and 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	2019		2018		2017	
	Million Liters	%	Million Liters	%	Million Liters	%
1) General users	451.530	31.94	444.849	34.76	446.779	38.22
2) Oil traders in other countries	471.194	33.33	455.027	35.54	401.398	34.33
3) Direct users	409.249	28.95	316.504	24.72	256.424	21.93
4) Other oil traders	81.588	5.77	63.929	4.98	64.528	5.52
<b>Total</b>	<b>1,413.561</b>	<b>100.00</b>	<b>1,280.309</b>	<b>100.00</b>	<b>1,169.129</b>	<b>100.00</b>

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 2019**

Unit: Million Liters

Company	No. of service stations	%	Volume of Diesel sold	Market Share %	Volume of B20 sold	Market Share %	Volume of B10 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	2,114	7.16	5,917.61	36.93	354.72	21.75	14.83	43.88	183.36	52.79	3,445.40	48.79	1,934.73	42.38	1,526.38	43.79	2,779.18	41.06	523.28	53.81	16,679.50	40.79
SHELL	532	1.80	1,537.98	9.60	128.05	7.85	5.14	15.21	14.44	4.16	640.53	9.07	150.61	3.30	316.17	9.07	721.61	10.66	88.56	9.11	3,603.09	8.81
ESSO	620	2.10	2,181.74	13.61	107.82	6.61	5.09	15.05	0.00	0.00	804.29	11.39	673.52	14.75	460.71	13.22	805.08	11.89	59.75	6.14	5,097.99	12.47
CHEVRON	369	1.25	1,153.79	7.20	88.42	5.42	0.00	0.00	48.44	13.95	997.84	14.13	353.16	7.74	230.06	6.60	394.78	5.83	16.64	1.71	3,283.14	8.03
BANGCHAK	1,188	4.02	2,080.79	12.98	395.54	24.25	6.55	19.37	0.00	0.00	764.70	10.83	628.95	13.78	468.04	13.43	982.16	14.51	253.25	26.04	5,579.98	13.65
SUSCO	239	0.81	199.00	1.24	49.67	3.05	0.00	0.00	26.36	7.59	409.25	5.80	84.64	1.85	63.12	1.81	71.61	1.06	4.93	0.51	908.57	2.22
Others	24,483	82.87	2,954.56	18.44	506.87	31.08	2.19	6.48	74.73	21.52	0.00	0.00	739.85	16.21	420.94	12.08	1,014.12	14.98	26.02	2.68	5,739.28	14.04
Total	29,545	100.00	16,025.47	100.00	1,631.09	100.00	33.80	100.00	347.34	100.00	7,062.01	100.00	4,565.47	100.00	3,485.41	100.00	6,768.54	100.00	972.43	100.00	40,891.55	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, 2019, there were 239 service stations using the Company's trademark, representing approximately 0.81 % of the total service stations in the country, and having a market share of around 2.22% of the total market.



Unit : Million Liters

Products	2019	2018	2017
1. High speed diesel fuel	391.758	411.194	397.220
2. High speed diesel B20	49.472	1.337	-
3. Benzene (Octane 95)	27.726	33.043	41.367
4. Benzene (Octane 91)	348.872	340.000	297.114
5. Gasohol 95	85.022	76.635	73.532
6. Gasohol 91	64.900	67.492	72.918
7. Gasohol E 20	15.512	11.039	5.657
8. Gasohol E 85	1.181	1.524	2.966
9. Jet fuel	409.249	316.504	256.424
10. Lubricating oil	0.118	0.131	0.162
11. Liquefied petroleum gas	4.999	5.393	5.398
12. Natural gas*	14.728	15.945	16.311
12. Bunker oil	0.024	0.072	0.060
<b>Total sales volume</b>	<b>1,413.561</b>	<b>1,280.309</b>	<b>1,169.129</b>

\* 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.

Parameter	Unit	Ratburana Depot			Surat Thani Depot			Songkhla Depot			Industrial Effluent Standard
		(mean)			(mean)			(mean)			
		2019	2018	2017	2019	2018	2017	2019	2018	2017	
1) pH	-	7.4	7.4	7.5	7.5	7.5	7.2	7.4	7.3	7.2	5.5 - 9.0
2) Biochemical Oxygen Demand (BOD)	mg/L	2.0	5.4	10.9	5.8	3.9	8.9	1.9	2.0	1.9	Not exceeding 20
3) Suspended Solids (SS)	mg/L	6.1	12.8	3.0	8.8	-	-	-	-	-	Not exceeding 50
4) Oil and Grease	mg/L	-	3.0	3.0	-	-	-	-	-	-	Not exceeding 5

### 3. Risk Factors

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

#### 3.1 Oil Prices Fluctuation

Domestic oil price and oil cost fluctuate following the changes in world market oil prices and exchange rates between USD and Thai Baht, where Singapore is considered a trading hub in South East Asia. At the current market situation, there is a high volatility in world oil prices in terms of both magnitude and size, which mainly contributed from both demand and supply problems.

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 2019, 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 0.57 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 1.24 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 651 - 0 - 61.40 Rai, and the unutilized part, having a total area of 254 - 0 - 50.30 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, 2019, were approximately Baht 4,098 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 2048 and had rental payable in a total amount of Baht 1,424 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, 2019:

Unit: Million Baht

Category	Cost	Net Book Value <sup>(1)</sup>
<u>Land, Plant and Equipment - in use</u> <sup>(2)</sup>		
Land	1,067.73	1,037.09
Service station buildings and improvement portions	1,183.47	354.65
Oil depots, oil tanks, fuel dispensers, operating equipment, electrical systems, etc.	832.46	169.61
Office decoration and equipment	79.91	16.07
Vehicles	51.60	11.20
Other construction work	16.25	16.25
<b>Total</b>	<b>3,231.42</b>	<b>1,604.87</b>
<u>Investment Properties</u> <sup>(3)</sup>		
Land	603.80	603.80
Service stations	963.01	250.75
<b>Total</b>	<b>1,566.81</b>	<b>854.55</b>



4.1.2 Details of Important Fixed Assets as at December 31, 2019 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 <sup>(4)</sup>	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	905 - 1 - 11.70 ไร่
1.5 Land on which service stations of the Company and its subsidiaries leased from other parties	303 - 1 - 7.90 ไร่
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, 2019, 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
<b>Subsidiary Companies</b>						
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				
<b>Associated Companies</b>						
1. Siam Mongkol Marine Co., Ltd.	Oil marine tanker	130.00	18.69	14.151	14.151	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.
<b>Joint Venture</b>						
1. SUSCO Media Joint Venture	Advertising services	4.00	50.00	1.900	1.900	50% Indirectly via SUSCO Marketing Co., Ltd.

## 4.3 Assets Assessment

In 2019, the Company had no new asset to evaluate.

## 5. Legal Dispute

In 2019, 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.79/2561 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

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

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

Auditors of the Company and its subsidiaries in 2019 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, 2019.**

Name	Type of Business	Authorized Capital (Baht)	Paid-in Capital (Baht)	Number of Paid-in Capital (share)	Par Value (Baht)	Shareholding (%)	Headquarters Address	Tel.
<b>Subsidiary companies</b>								
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 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2428-0029
<b>Associated Companies</b>								
7. 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
8. 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
<b>Joint Venture</b>								
9. SUSCO Media Joint Venture	Advertising services	4,000,000	4,000,000	-	-	50% Indirectly via SUSCO Marketing Co.,Ltd.	139 Ratburana Road, Bangpakok Subdistrict, Ratburana District, Bangkok Metropolis 10140.	0-2428-0029

## 6.2 Other Important Information

In 2019, 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.

## 7. Securities and Shareholders Information

### 7.1 Authorized and Paid-in Capital

As at December 31, 2019, the Company had an authorized capital of Baht 1,375,000,000, consisted of 1,375,000,000 ordinary shares at the par value of Baht 1 per share, and paid-in capital of Baht 1,100,005,556, comprising 1,100,005,556 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 28, 2019, the latest date of closing the share register book, were as follows:

Shareholder	Number of Shares Held	%
1. Mr. Mongkol Simaraj	145,800,000	13.25
2. Mr. Chaloechai Mahakijisiri	117,473,800	10.68
3. SUSCO PUBLIC COMPANY LIMITED	50,005,500	4.55
4. Thai NVDR Company Limited	40,910,005	3.72
5. Mr. Pimuk Simaraj	36,000,000	3.27
6. Mr. Marvee Simaraj	34,800,000	3.16
7. Miss Ussana Mahakijisiri	29,900,000	2.72
8. Mr. Thaveechat Jurangkool	29,308,600	2.66
9. Mr. Panus Rungnoppakhunsri	18,330,200	1.67
10. Miss Veerin Simaraj	15,000,000	1.36
<b>Total</b>	<b>517,528,105</b>	<b>47.05</b>

According to the data from the Stock Exchange of Thailand as of March 15, 2019, the percentage of free float was 65.09%



### 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 2019, which was the end of 4-years term of the Warrants, there were total exercised warrants of 5,556 units or equivalent to 5,556 shares.

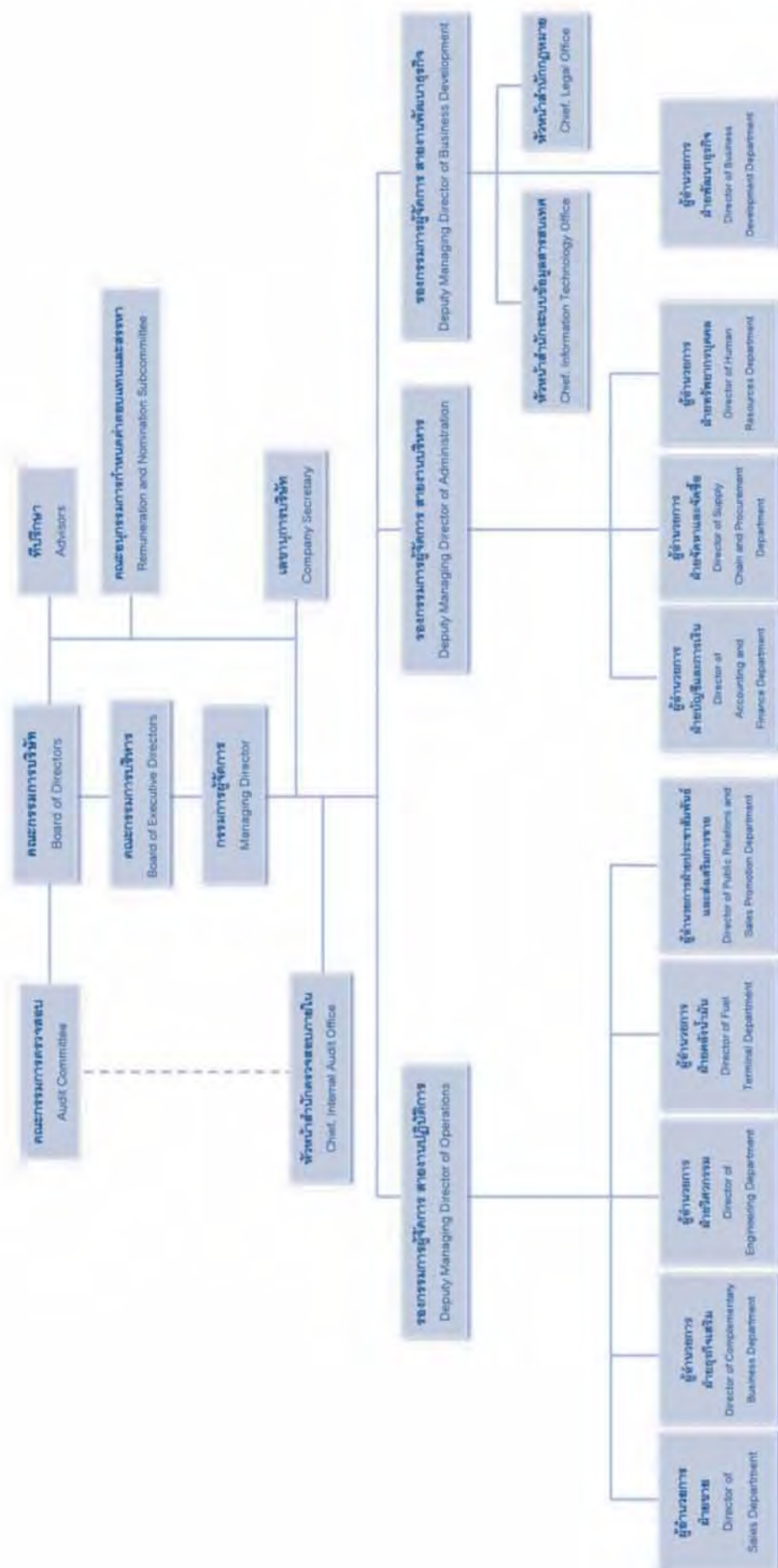
### 7.4 Dividend Payment Policies of the Company

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, 2019



## 8.1 Board of Directors

The Board of Directors in the Meeting No. 9/2562, held on August 27, 2019, reviewed and 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, other law, and as stated in the Articles of Association;
- (2) Approving action plans and goals of the Company;
- (3) Considering, approving, and reviewing operational plans, strategies, business plans, budgets, risk assessment, and good corporate governance policy of the Company annually;
- (4) Controlling and supervising the Management to proceed in accordance with the policies, plans, and budgets, with efficiency and transparency;
- (5) Supervising the Company's performance by protecting shareholders' benefits and disclosing of information accurately, transparently and completely as required by the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand;
- (6) Giving the importance of business to operate in accordance with the principles of good corporate governance, social, and environmental responsibility;
- (7) Giving priority to anti-corruption by defining and approving policies and related procedures, appointing a working group, supervising a support system, as well as, channels for whistle blowing, monitoring, and ensuring that all employees complied with the policies strictly;
- (8) Approving the transactions related to land, the construction, or the land with the construction according to the related laws;
- (9) Approving the appointment of the Executive Board to perform duties as assigned;
- (10) 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;
- (11) Approving the matters pertinent to finance and assets of the Company, which are above the approving powers of the Executive Board;
- (12) Assigning or suggesting the Executive Board or the Managing Director to consider or work on any matter as the Board of Directors deems appropriate;
- (13) Giving consent or approving matters proposed by the Executive Board or the Managing Director.
- (14) Encouraging all managements and employees to perform their duties with honesty, professional ethics, avoiding personal interests, maintaining the confidentiality of customers, and not using inside information of the Company and the customers for personal interests;
- (15) Any decision that may have conflicts of interest, the Board of Directors and the Management will jointly consider the said issue with care, honest, rationality, and independence, under the framework of good ethics for the benefits of the Company;
- (16) Monitoring financial liquidity and repayment, including plans and mechanisms for solving problems, if any;
- (17) 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, 2019, were as follows :

- |     |                               |  |
|-----|-------------------------------|--|
| 1.  | Mr. Mongkol Simaroj           | Chairman   |
| 2.  | Mr. Pimuk Simaroj             | Vice Chairman and Chairman of the 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 Serm Sri Bunnag      | Independent Director   |
| 7.  | Mr. Narong Chulajata          | Director   |
| 8.  | Mr. Noppadol Attavavutichai   | Director   |
| 9.  | Mr. Chairit Simaroj           | Executive Director and Managing Director                                   |
| 10. | Mr. Phongsathon Chatnarat     | Executive Director and Deputy Managing Director of<br>Business Development |
| 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 2019 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
The Board of Directors, as of December 31, 2019					
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 2019 till the date of 2022 Ordinary General Meeting	12/12	2/2	14/14
4	Mr. Prakrit Pradipasen	Elected in April 2017 till the date of 2020 Ordinary General Meeting	10/12	2/2	12/14
5	Mr. Sithiphan Sriphen	Elected in April 2017 till the date of 2020 Ordinary General Meeting	12/12	2/2	14/14
6	Khunying Semsri Bunnag	Elected in April 2019 till the date of 2022 Ordinary General Meeting	12/12	2/2	14/14
7	Mr. Narong Chulajata	Elected in April 2019 till the date of 2022 Ordinary General Meeting	11/12	1/1	12/13
8	Mr. Noppadol Attavavutichai	Elected in April 2017 till the date of 2020 Ordinary General Meeting	10/12	1/1	11/13
9	Mr. Chairit Simaroj	Elected in April 2019 till the date of 2022 Ordinary General Meeting	12/12	1/1	13/13
10	Mr. Phongsathon Chatnarat	Elected in April 2018 till the date of 2021 Ordinary General Meeting	11/12	1/1	12/13
11	Mr. Marvee Simaroj	Elected in April 2017 till the date of 2020 Ordinary General Meeting	11/12	1/1	12/13

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 26, 2019, 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, 2019, four independent directors of the Company were as follows:

1. Mrs. Phuangphet Thaweechaiwat
2. Mr. Prakit Pradipasen
3. Khunying Serm Sri 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, 2019, were as follows:

- |                                   |   |
|-----------------------------------|---|
| 1. Mr. Chairit Simaroj            | Managing Director   |
| 2. Mr. Phongsathon Chatnarat      | Deputy Managing Director of Business Development and Acting Director of Business Development Department |
| 3. Mr. Marvee Simaroj             | Deputy Managing Director of Operations  |
| 4. Mr. Amarin Simaroj             | Deputy Managing Director of Administration and Chief Financial Officer                                  |
| 5. Ms. Veerin Simaroj             | Company Secretary   |
| 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. Mr. Songthep Hongsuwannkaed   | Director of Human Resources Department  |
| 12. Ms. Panyada Vannakovit        | Acting Director of Public Relations and Sales Promotion   |
| 13. Mr. Pradit Tawormuntkitkarn   | Acting Director of Engineering Department   |

## 8.3 Company Secretary and the person who takes direct responsibility for supervising the Company's accounting

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 and assigned Ms. Petchmalee Vattananiyom, Director of Accounting and Finance Department, to take direct responsibility for supervising the Company's accounting.



## 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 2019 Ordinary General Meeting, held on April 25, 2019 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, 2019.

There was no Directors' Remuneration for subsidiaries.

In 2019, the total remuneration for 11 Directors was Baht 2,760,000.

The 2019 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, 2019.

In 2019, the total remuneration for the Audit Committee members was Baht 380,000.

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 2019			
		Board of Directors	Audit Committee	Remuneration and Nomination Committee	Total
1	Mr. Mongkol Simaroj Chairman	360,000	-	-	360,000
2	Mr. Pimuk Simaroj Vice Chairman and Chairman of the Board of Executive Directors	240,000	-	-	240,000
3	Mrs. Phuangphet Thaweechaiwat Independent Director and Audit Committee Chairwoman	240,000	180,000	-	420,000
4	Mr. Prakrit Pradipasen Independent Director and Audit Committee Member	240,000	120,000	-	360,000
5	Mr. Sithiphan Sriphen Independent Director and Audit Committee Member	240,000	80,000	-	320,000
6	Khunying Serm Sri Bunnag Independent Director	240,000	-	-	240,000
7	Mr. Narong Chulajata Director	240,000	-	-	240,000
8	Mr. Noppadol Attavavutichai Director	240,000	-	-	240,000
9	Mr. Chairit Simaroj Managing Director	240,000	-	-	240,000
10	Mr. Phongsathon Chatnarat Deputy Managing Director of Business Development	240,000	-	-	240,000
11	Mr. Marvee Simaroj Deputy Managing Director of Operations	240,000	-	-	240,000
<b>Total</b>		<b>2,760,000</b>	<b>380,000</b>		<b>3,140,000</b>

In 2019, the remuneration in the form of fixed salary and bonus, depending on Company's performance, for 4 Directors who were Executives and 16 Management, totaling 20 persons, was Baht 40,807,900.54

The Remuneration and Nomination Subcommittee recommended that the above remuneration was appropriated, considering the duties and responsibilities of the Directors, to lead the Company and achieve its goals.



**The Company's shares held by Directors and the Management as of December 31, 2019 compared with those of December 31, 2018 were as follows:**

Name-Surname	Position	No. of shares held as at December 31, 2019*	No. of shares held as at December 31, 2018*
1. Mr. Mongkol Simaroj	Chairman	139,600,000	139,600,000
Spouse and children under legal age		-	-
2. Mr. Pimuk Simaroj	Vice Chairman and Chairman of the Board of Executive Directors	36,100,000	32,000,000
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. Chairit Simaroj	Executive Director and Managing Director	11,500,000	10,300,000
Spouse and children under legal age		Spouse 3,000,000	Spouse 3,000,000
10. Mr. Phongsathon Chatnarat	Executive Director, Deputy Managing Director of Business Development, and Acting Director of Business Development Department	6,200,000	4,400,000
Spouse and children under legal age		-	-
11. Mr. Marvee Simaroj	Executive Director and Deputy Managing Director of Operations	34,800,000	32,800,000
Spouse and children under legal age		-	-
12. Mr. Amarin Simaroj	Deputy Managing Director of Administration	9,150,000	8,200,000
Spouse and children under legal age		Spouse 80,000	Spouse 80,000
13. Ms. Veerin Simaroj	Company Secretary	15,000,000	14,500,000
Spouse and children under legal age		-	-



Name-Surname	Position	No. of shares held as at December 31, 2019*	No. of shares held as at December 31, 2018*
14. Mr. Soonthorn Yurasak	Director of Fuel Terminal Department	-	-
Spouse and children under legal age		-	-
15. Mr. Gunpol Nokchan	Director of Sales Department	1,320,000	1,320,000
Spouse and children under legal age		-	-
16. Ms. Mukdawan Ruttapichairak	Director of Supply Chain and Procurement Department	-	-
Spouse and children under legal age		-	-
17. Ms. Kansinee Sanongchitcharoen	Director of Complementary Business	-	-
Spouse and children under legal age		-	-
18. Ms. Petchmalee Vattananiyom	Director of Accounting and Finance Department	-	-
Spouse and children under legal age		-	-
19. Mr. Songthep Hongsuwannkead	Director of Human Resources Department	-	-
Spouse and children under legal age		-	-
20. Ms. Panyada Vannakavit	Acting Director of Public Relations and Sales Promotion	-	-
Spouse and children under legal age		-	-
21. Mr. Pradit Tawornmuntkitkarn	Acting Director of Engineering Department	90,000	-
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.

#### 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 2019, the Company paid Baht 2,163,272 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, 2019, the Company and its subsidiaries had a total of 1,956 employees, 298 of whom were at headquarters and oil depots and 1,658 were at petrol stations.





In 2019, the Company and its subsidiaries paid remuneration to the employees in the form of salary and bonus in the amount of Baht 314,472,781.45 and contributed Baht 8,368,539.80 to the Provident Fund for 576 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 2019 were as follows;

1. Management level 6.15 hours/person
2. Chief level 7.79 hours/person
3. Staff level 8.04 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
5. Safety training for working in high altitude environments
6. 5S training course

## **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 31, 2019, 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 and/or questions in advance via website of the Company to enable the shareholders to inform the Company of their intentions within December 30, 2019; 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 :

<b>Duties to Shareholders</b>	: 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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<b>Duties to Customers</b>	: 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.
<b>Duties to Business Partners and Creditors</b>	: 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.
<b>Duties to Competitors</b>	: 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.
<b>Duties to Employees</b>	: 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.
<b>Duties to Society and Environment</b>	: 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](http://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](mailto: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](mailto:corporatesecretary@susco.co.th)

Website: [www.susco.co.th](http://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, 2019, 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 and Managements shall disclose the information to the Meeting and have no right to vote on such agenda and if such issue meets disclosure criteria of the Stock Exchange of Thailand, the Company shall also inform the resolution of aforementioned agenda to the Stock Exchange of Thailand;
  - (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.
- (8) It is a policy of the Board of Directors to review Board Charter once a year.

## 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, 2019, 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. 13/2562, held on December 26, 2019, 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 and terminating the external auditors and their remuneration to the Board of Directors;
- (4) To consider and to express opinions in selecting, transferring, and terminating of the head of the Internal Audit Office;
- (5) To oversee that the Company is in compliance with the requirements and laws concerned;
- (6) 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;
- (7) 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.
- (8) 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;



- (9) 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 2019, the Audit Committee had an extraordinary Meeting with the auditors, without the presence of the Management, on February 27, 2019.

**The Audit Committee Members, as of December 31, 2019, 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	1/1	5/5
2. Mr. Prakrit Pradipasen	Member of the Audit Committee	4/4	1/1	5/5
3. Mr. Sithiphan Sriphen	Member of the Audit Committee	4/4	1/1	5/5

Mrs. Piyalaks Simasaengyaporn as Secretary of the Audit Committee

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

**9.2.3 Remuneration and Nomination Subcommittee**

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

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

**The Members of the Remuneration and Nomination Subcommittee, as of December 31, 2019, were as follows:**

Name	Position	Number of attendants in comparison with total number of meetings (times)
1. Mr. Prakrit Pradipasen	Chairman of the Subcommittee	2/2
2. Khunying Sermsri Bunnag	Member of the Subcommittee	2/2
3. Mr. Sithiphan Sriphen	Member of the Subcommittee	2/2

Ms. Veerin Simaroj as 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. In the case of the selection of Independent Directors, in addition to the above specifications, such Independent Directors must also be able to give independent opinions and have qualifications consistent with the definition of the Company's Independent Directors;
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 2019, the Remuneration and Nomination Subcommittee had considered and opined that to enhance the continuation of the Company's business management, the Directors whose terms of office expired are qualified and should be re-elected. As a result, it was proposed to the Board of Directors to present to the 2019 Ordinary General Meeting to re-elect the rest of retiring directors and proceed with the election as stated in 9.3.1

The 2019 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 2019, every retiring director was re-elected.

#### New Director Orientation

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

#### 9.3.2 Top Management Appointment

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

### **9.4 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. .

## 9.5 Exploitation of Inside Information

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

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

- (1) The Directors, the Management, or the related parties who have known the inside information are prohibited to disclose it to the third parties or the irrelevant persons and will not exploit the confidential information of the Company for their own benefits or for the benefits of other persons ;
- (2) The Directors, the Management, or the related parties who have known the inside information are prohibited to use such information for their own benefits or the benefits of other persons in trading the Company's shares. 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;
- (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.

## 9.6 Auditor's Remuneration

The Company and its subsidiaries paid the remuneration to the external auditors for the accounting year 2019, 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	1,473,000	1,472,000	2,945,000
9.7.2. Non - audit fee in the amount	46,738	22,019	68,757
<b>Grand Total</b>			<b>3,013,757</b>

## 9.7 Applying the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code)

On August 29, 2019, the Board of Directors' Meeting No. 9/2019 resolved to review CG Code, as annually basis, to be applied to the Company's business context. The Company has recorded the reasons of practices that were unable to follow or have not been applied yet as a part of the board resolutions, e.g. the Board of Directors considered that those Independent Directors who have been the Company's Director more than 9 years were suitable, both in terms of qualifications and experiences, and were able to give independent opinions.



## 9.8 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.

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

### - 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

#### - **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 2019, each Director completed the assessment forms and the Corporate Secretary Office reported the results of the assessments in the Board of Directors' Meeting No.12/2562 on November 28, 2019, 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 83.22 %.

1.2 Self-assessment of the Subcommittees to evaluate the performance of the Subcommittees, consisting of three sections: (1) Subcommittee Composition and Qualifications, (2) Performing Duties in the Meetings, (3) Roles, Duties, and Responsibilities of Subcommittees. The results indicated excellent performance with an average score of 82.47%.

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 82.58 %.

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.

- **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. 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.
3. 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.



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

## 10. Corporate Social Responsibilities and Environment

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 2019 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 11 years of the implementation of this Project, the scholarships had been granted to 156 students of the schools located in various regions of the country.

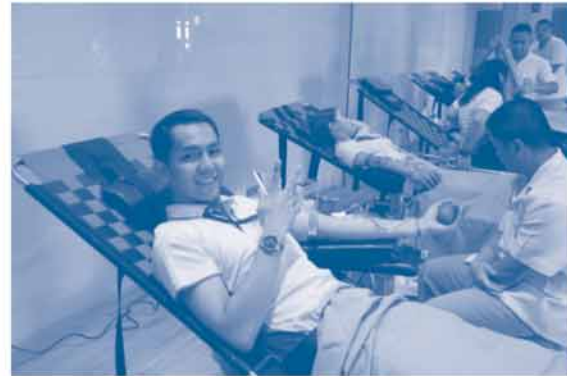


In addition to providing ordinary scholarships and sports equipment, in the year 2019, the Company had also provided extra training courses related to traffic discipline to those students, as well as providing additional scholarships under the project name " Little Angel: Road Safety Program" in order for students to gain the necessary knowledge when they are on the roads which may help reducing some unexpected accidents.



## (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.



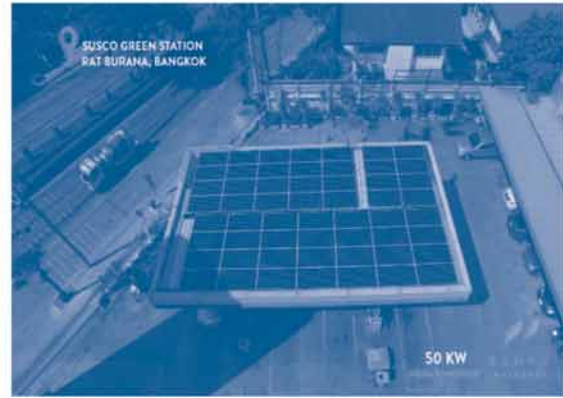
Saving electricity campaign board



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



The Company had installed the solar panel system on 3 roof tops of the Company's head office and service stations to use electricity from solar energy, with a capacity of about 10-20 kWh per hour/station, promoting the use of renewable energy in line with government policies. The Company planned to expand the solar system installation to more service stations in the near future.



#### (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, for example, supporting the project under the name of “Giving benefit to society: returning smile to the ones with lesser chance”.



## 11. Internal Control and Risk Management

### 11.1 Opinion of the Board of Directors

The Board of Directors in its Meeting No. 2/2563, held on February 27, 2020, assessed the adequacy of the internal control system of the Company, ended December 31, 2019, 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 3 main lines, namely a) Operations which oversee and direct activities of sales, marketing, engineering, complementary business, and oil depots ; b) Administration which oversees and directs activities of finance, accounting, purchasing, and human resources ; c) Business Development which oversee related business development, law, and information technology.
- (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 2019, 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 2019, the Company had no significant and substantial issue or accident 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 2019: 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 2019 in the total amount of Baht 4.48 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	2562	2561	2560	2559
Siam Mongkol Marine Co., Ltd.	Shareholding and Having joint directors	18.69	Revenues from oil sales	-	0.80	-	0.08
			Other revenues	1.25	1.28	1.32	1.45
			Transportation	-	-	-	0.74
Total				1.25	2.08	1.32	2.27
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	0.14	0.12
			Transportation	-	-	-	0.40
			Total				0.14
Siam Truck Service Co., Ltd	Having joint directors	-	Transportation, handling, and repair exp.	2.34	2.82	2.72	8.73
			Other revenues	0.75	0.90	1.16	1.55
Total				3.09	3.72	3.88	10.28
Total amount				4.48	5.94	5.34	13.07



### **13. Significant Financial Information**

#### **13.1 Independent Auditor's Report**

In 2019, 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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**

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 30, 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, 14, 15 and 16, 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 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, 2019, 2018, 2017, and 2016

Unit : Thousand Baht

Items	2019		2018		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Assets</b>								
<i><b>Current assets</b></i>								
Cash and cash equivalents	283,933	5.00	453,020	7.72	389,737	6.74	412,662	7.54
Trade accounts receivable	801,412	14.12	949,696	16.18	792,641	13.70	654,487	11.96
Other receivables	215,658	3.80	111,631	1.90	92,971	1.61	139,917	2.56
Inventories	638,693	11.26	545,696	9.30	636,989	11.01	557,528	10.19
Other current assets	131,938	2.33	106,632	1.82	101,928	1.76	90,973	1.66
<b>Total current assets</b>	2,071,634	36.51	2,166,675	36.92	2,014,266	34.81	1,855,567	33.92
<i><b>Non-current assets</b></i>								
Available-for-sale investment	382,500	6.74	417,562	7.12	596,062	10.30	-	-
Investments in associates	14,151	0.25	21,322	0.36	27,399	0.47	28,853	0.53
Investments in joint venture	1,900	0.03	-	-	-	-	-	-
Other long-term investment	248	0.00	248	0.00	248	0.00	462,435	8.45
Investment properties	854,552	15.06	868,917	14.81	886,283	15.32	925,903	16.92
Property, plant and equipment	1,604,871	28.29	1,570,743	26.77	1,462,126	25.27	1,472,284	26.91
Leasehold rights	528,064	9.31	587,727	10.01	541,731	9.36	481,587	8.80
Intangible assets	69,996	1.24	79,707	1.36	91,071	1.57	92,900	1.70
Deferred tax assets	25,582	0.45	22,054	0.38	23,030	0.40	24,052	0.44
Other non-current assets	120,373	2.12	133,110	2.27	143,722	2.48	127,545	2.33
<b>Total non-current assets</b>	3,602,237	63.49	3,701,390	63.08	3,771,672	65.19	3,615,559	66.08
<b>Total assets</b>	5,673,871	100.00	5,868,065	100.00	5,785,938	100.00	5,471,126	100.00



SUSCO Public Company Limited and its Subsidiaries

Statement of financial position

As of December 31, 2019, 2018, 2017, and 2016

Unit : Thousand Baht

Items	2019		2018		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Liabilities and equity</b>								
<i>Current liabilities</i>								
Bank overdrafts and short-term loans								
from financial institutions	171,786	3.03	530,000	9.03	230,000	3.98	300,000	5.48
Trade accounts payable	1,157,396	20.40	1,247,189	21.25	1,101,051	19.03	991,509	18.12
Other payables	176,542	3.11	209,101	3.56	208,160	3.60	250,502	4.58
Current portion of long-term loans from financial institutions	99,100	1.75	-	-	179,665	3.11	251,750	4.60
Current portion of finance lease liabilities	2,822	0.05	1,815	0.03	2,534	0.04	3,467	0.06
Income tax payable	31,698	0.56	14,625	0.25	40,428	0.70	20,660	0.38
Other account payable	35,900	0.63	67,142	1.15	45,668	0.79	27,104	0.50
<b>Total current liabilities</b>	<b>1,675,244</b>	<b>29.53</b>	<b>2,069,872</b>	<b>35.27</b>	<b>1,807,506</b>	<b>31.24</b>	<b>1,844,992</b>	<b>33.72</b>
<i>Non-current liabilities</i>								
Long-term loans from financial institution	148,725	2.62	-	-	150,000	2.59	79,665	1.46
Finance lease liabilities	4,699	0.08	1,985	0.03	2,326	0.04	4,062	0.07
Deferred tax liabilities	100,422	1.77	108,751	1.85	146,352	2.53	116,475	2.13
Employee benefit obligation	61,290	1.08	45,254	0.77	38,725	0.67	31,325	0.57
Other non-current liabilities	70,235	1.24	66,032	1.13	48,702	0.84	43,965	0.80
<b>Total non-current liabilities</b>	<b>385,371</b>	<b>6.79</b>	<b>222,022</b>	<b>3.78</b>	<b>386,105</b>	<b>6.67</b>	<b>275,492</b>	<b>5.04</b>
<b>Total liabilities</b>	<b>2,060,615</b>	<b>36.32</b>	<b>2,291,894</b>	<b>39.05</b>	<b>2,193,611</b>	<b>37.91</b>	<b>2,120,484</b>	<b>38.76</b>



## Statement of financial position

As of December 31, 2019, 2018, 2017, and 2016

Unit : Thousand Baht

Items	2019		2018		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Shareholders' equity</b>								
Share Capital - Par value of Baht 1.00 per share								
Authorised share capital								
- 1,375,000,000 Ordinary shares, Baht 1.00 each	1,375,000	24.23	1,375,000	23.43	1,375,000	23.76	1,375,000	25.13
Issued and fully paid-up share capital								
- 1,100,005,556 Ordinary shares, Baht 1.00 each	1,100,006	19.39	-	-	-	-	-	-
- 1,100,000,001 Ordinary shares, Baht 1.00 each	-	-	1,100,000	18.75	1,100,000	19.01	1,100,000	20.11
Share premium	45,016	0.79	45,000	0.77	45,000	0.78	45,000	0.82
Share premium on treasury shares	204,339	3.60	204,339	3.48	204,339	3.53	204,339	3.73
Surplus from decreasing share capital by writing off treasury shares	40,122	0.71	40,122	0.68	40,122	0.69	40,122	0.73
Warrants	-	-	27,498	0.47	27,498	0.48	27,498	0.50
Expired warrants	27,498	0.48	-	-	-	-	-	-
Retained earnings								
Appropriated								
Legal reserve	126,470	2.23	106,475	1.81	88,894	1.54	75,610	1.38
Treasury shares reserve	151,003	2.66	-	-	-	-	-	-
Unappropriated	1,944,310	34.27	1,896,306	32.32	1,784,204	30.84	1,663,609	30.41
Other components of shareholders' equity	125,495	2.21	156,431	2.67	302,270	5.22	194,464	3.55
	3,764,259	66.34	3,576,171	60.95	3,592,327	62.09	3,350,642	61.24
<b>Less Treasury shares (50.01 million shares)</b>	(151,003)	(2.66)	-	-	-	-	-	-
<b>Total shareholders' equity</b>	3,613,256	63.68	3,576,171	60.95	3,592,327	62.09	3,350,642	61.24
<b>Total liabilities and shareholders' equity</b>	5,673,871	100.00	5,868,065	100.00	5,785,938	100.00	5,471,126	100.00



## Statement of changes in equity

For the year ended December 31, 2019, 2018, 2017, and 2016

Unit : Thousand Baht

Items	2019	2018	2017	2016
	Amount	Amount	Amount	Amount
<b>Issued and paid-up share capital</b>				
Beginning of the year	1,100,000	1,100,000	1,100,000	1,100,000
Increase during of the year	6	-	-	-
Decrease during of the year	-	-	-	-
Balance end of the year	1,100,006	1,100,000	1,100,000	1,100,000
<b>Treasury shares</b>				
Beginning of the year	-	-	-	-
Increase during of the year	-	-	-	-
Balance end of the year	-	-	-	-
<b>Share premium</b>				
Beginning of the year	45,000	45,000	45,000	45,000
Increase during of the year	16	-	-	-
Balance end of the year	45,016	45,000	45,000	45,000
<b>Share premium on treasury shares</b>	204,339	204,339	204,339	204,339
<b>Surplus from decreasing share capital by writing off treasury shares</b>	40,122	40,122	40,122	40,122
<b>Warrants</b>	-	27,498	27,498	27,498
<b>Expired warrants</b>	27,498	-	-	-
<b>Retained earnings</b>				
Appropriated				
Legal reserve				
Beginning of the year	106,475	88,894	75,610	61,355
Increase during of the year	19,995	17,581	13,284	14,255
Balance end of the year	126,470	106,475	88,894	75,610
Unappropriated				
Beginning of the year	1,896,306	1,784,204	1,663,609	1,503,079
Treasury shares reserve	(151,003)	-	-	-
Legal reserve	(19,995)	(17,581)	(13,284)	(14,255)
Dividend payment	(171,999)	(153,997)	(88,000)	(109,998)
Increase (decrease) during of the year	391,001	283,680	221,879	284,783
Balance end of the year	1,944,310	1,896,306	1,784,204	1,663,609
<b>Other components of shareholders' equity</b>				
Revaluation surplus	1,100	1,100	1,100	1,100
Impact from changes in accounting policies	(220)	(220)	(220)	(220)
Available - for - sale investment	124,615	152,664	295,464	188,364
Share of other comprehensive income (loss) of associates	-	2,887	5,926	5,220
	125,495	156,431	302,270	194,464
<b>Total shareholders' equity</b>	<b>3,613,256</b>	<b>3,576,171</b>	<b>3,592,327</b>	<b>3,350,642</b>



## Statement of comprehensive income

For the year ended December 31, 2019, 2018, 2017, and 2016

Unit: Thousand Baht

Items	2019		2018		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Revenues</b>								
Revenues from sale, net	27,732,688	98.54	27,882,069	98.71	23,095,515	98.59	19,030,179	98.12
Dividend income	17,503	0.06	16,099	0.06	15,590	0.07	17,268	0.09
Other income	394,226	1.40	346,586	1.23	313,832	1.34	346,635	1.79
<b>Total income</b>	<b>28,144,417</b>	<b>100.00</b>	<b>28,244,754</b>	<b>100.00</b>	<b>23,424,937</b>	<b>100.00</b>	<b>19,394,082</b>	<b>100.00</b>
<b>Expenses</b>								
Cost of sales of goods	26,317,780	93.51	26,638,720	94.31	21,834,045	93.21	17,854,787	92.06
Distribution costs and administrative expenses	1,318,119	4.68	1,233,727	4.37	1,163,332	4.97	1,177,110	6.07
Finance costs	14,561	0.05	20,244	0.07	25,820	0.11	38,653	0.20
<b>Total expenses</b>	<b>27,650,460</b>	<b>98.24</b>	<b>27,892,691</b>	<b>98.75</b>	<b>23,023,197</b>	<b>98.28</b>	<b>19,070,550</b>	<b>98.33</b>
<b>Share of (loss) of associates and joint venture</b>	<b>(4,384)</b>	<b>(0.02)</b>	<b>(3,038)</b>	<b>(0.01)</b>	<b>(2,160)</b>	<b>(0.01)</b>	<b>(7,740)</b>	<b>(0.04)</b>
<b>Profit before income tax expense</b>	<b>489,573</b>	<b>1.74</b>	<b>349,025</b>	<b>1.24</b>	<b>399,580</b>	<b>1.71</b>	<b>315,792</b>	<b>1.63</b>
Income tax expense	101,413	0.36	65,345	0.23	177,033	0.76	31,010	0.16
<b>Profit for the year</b>	<b>388,160</b>	<b>1.38</b>	<b>283,680</b>	<b>1.01</b>	<b>222,547</b>	<b>0.95</b>	<b>284,782</b>	<b>1.47</b>
<b>Other comprehensive income</b>								
<b>Items that will not be reclassified to profit or loss</b>								
Actuarial gain (losses) on define employee benefit plans	3,552	0.01	-	-	(835)	-	1	0.00
Income tax relating to items that may be reclassified	(711)	-	-	-	167	-	-	-
	<b>2,841</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>(668)</b>	<b>-</b>	<b>1</b>	<b>0.00</b>
<b>Item that may be reclassified subsequently to profit or loss :</b>								
<b>Share of other comprehensive income (expenses) of associates</b>								
Exchange differences on translating financial operations	-	-	-	-	-	-	25	0.00
Share of other comprehensive income (expenses) of associates	(2,887)	(0.01)	(3,039)	(0.01)	706	-	788	0.00
Gains (losses) on remeasuring available for sale investments	(35,062)	(0.12)	(178,500)	(0.63)	133,875	0.57	71,400	0.37
Income tax relating to items that may be reclassified	7,013	0.02	35,700	0.12	(26,775)	(0.11)	-	-
	<b>(30,936)</b>	<b>(0.11)</b>	<b>(145,839)</b>	<b>(0.52)</b>	<b>107,806</b>	<b>0.46</b>	<b>72,213</b>	<b>0.37</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>	<b>(28,095)</b>	<b>(0.10)</b>	<b>(145,839)</b>	<b>(0.52)</b>	<b>107,138</b>	<b>0.46</b>	<b>72,214</b>	<b>0.37</b>
<b>Total comprehensive income for the year</b>	<b>360,065</b>	<b>1.28</b>	<b>137,841</b>	<b>0.49</b>	<b>329,685</b>	<b>1.41</b>	<b>356,996</b>	<b>1.84</b>
<b>Earnings per share (Baht)</b>								
Basic earnings per share	0.36	-	0.26	-	0.20	-	0.26	-
Diluted earnings per share	0.36	-	0.26	-	0.20	-	0.26	-



## Statement of cash flows

For the year ended December 31, 2019, 2018, 2017, and 2016

Unit: Thousand Baht

Items	2019	2018	2017	2016
	Amount	Amount	Amount	Amount
<b>Cash flows from operating activities</b>				
Profit for the year	388,160	283,680	222,547	284,782
<i>Reconciliations of profit for the year to cash provided by (used in) operating activities:</i>				
Depreciation	158,491	150,606	138,794	149,288
Amortisation	81,738	85,286	83,557	102,750
Bad debt and doubtful debts (reversal)	2,230	1,440	1,757	4,448
Reversal of allowance for decline in value of refundable withholding tax	-	-	-	(10,463)
Loss on inventories devaluation (reversal)	(21,981)	19,336	(2,088)	(14,387)
Loss on impairment of assets (reversal)	(9,952)	(30,214)	(14,398)	41,941
(Gain) loss on disposal of assets	(44,084)	(12,508)	12,395	(34,046)
Dividend income	(17,503)	(16,099)	(15,590)	(17,268)
(Gain) on sales of investment	-	(37)	-	(135)
Unrealized (gain) loss on exchange rate	(1,017)	1,839	208	(92)
Share of loss of associates	4,384	3,038	2,160	7,740
Employee benefit expense	21,786	8,232	7,266	4,817
Finance costs	14,561	20,244	25,820	38,653
Income tax expense	101,413	65,345	177,033	31,010
Profit provided by operating activities before changes in operating assets and liabilities	678,226	580,188	639,461	589,038
<i>(Increase) decrease in operating assets</i>				
Trade and other account receivable	39,857	(179,360)	(90,713)	(292,361)
Inventories	(71,017)	71,957	(77,373)	(66,278)
Other current assets	(25,307)	(4,704)	(10,955)	6,349
Other non-current assets	12,906	10,648	(33,304)	(39,417)
<i>Increase (decrease) in operating liabilities</i>				
Trade and other accounts payable	(123,539)	135,107	63,103	259,921
Other current liabilities	(31,242)	21,474	18,564	3,858
Employee benefit obligation	-2,198	-1,703	-701	-1,526
Other non-current liabilities	4,229	17,330	4,735	(3,150)
Cash received from operations	481,915	650,937	512,817	456,434
Income tax expense paid	-90,067	-92,105	-135,867	-34,553
<b>Net cash provided by operating activities</b>	<b>391,848</b>	<b>558,832</b>	<b>376,950</b>	<b>421,881</b>
<b>Cash flows from investing activities</b>				
Cash receipts from sale of short-term investment	-	37	-	135
Cash payments for acquisition of investments in joint venture	(2,000)	-	-	-
Cash payments for acquisition of property, plant and equipment	(199,780)	(227,672)	(109,206)	(169,383)
Cash receipts from disposal of property, plant and equipment	85,856	40,749	23,539	44,938
Cash payments for acquisition of intangible assets and leasehold rights	(11,132)	(120,205)	(141,857)	(65,944)
Dividend receive	17,503	16,099	15,590	17,268
<b>Net cash used in investing activities</b>	<b>(109,553)</b>	<b>(290,992)</b>	<b>(211,934)</b>	<b>(172,986)</b>



## Statement of cash flows

For the year ended December 31, 2019, 2018, 2017, and 2016

Unit: Thousand Baht

Items	2019	2018	2017	2016
	Amount	Amount	Amount	Amount
<b><i>Cash flows from financing activities</i></b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(358,214)	300,000	(70,000)	100,000
Cash receipts from long-term loan from financial institutions	297,825	-	300,000	-
Cash payments for repayment of long-term loan from financial institutions	(50,000)	(329,665)	(301,750)	(395,750)
Cash payments for repayment of finance lease liabilities	(2,934)	(1,060)	(2,669)	(4,269)
Cash payments for treasury shares	(151,003)	-	-	-
Dividend paid	(171,630)	(153,667)	(87,811)	(109,782)
Interest expense paid	(15,426)	(20,165)	(25,711)	(39,251)
<b>Net cash used in financing activities</b>	<b>(451,382)</b>	<b>(204,557)</b>	<b>(187,941)</b>	<b>(449,052)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(169,087)</b>	<b>63,283</b>	<b>(22,925)</b>	<b>(200,157)</b>
Cash and cash equivalents - beginning of year	453,020	389,737	412,662	612,819
<b>Cash and cash equivalents - ending of year</b>	<b>283,933</b>	<b>453,020</b>	<b>389,737</b>	<b>412,662</b>

**Supplemental cash flows information**

Asset acquired under financial lease agreement	6,655	-	-	-
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### 13.3 Comparison of Significant Financial Ratios

As of December 31, 2019, 2018, 2017, and 2016

Items		2019	2018	2017	2016
<b>Liquidity Ratio</b>					
Current Ratio	(Times)	1.24	1.05	1.11	1.01
Quick Ratio	(Times)	0.65	0.68	0.65	0.58
Cash flow Ratio	(Times)	0.21	0.29	0.21	0.26
Receivable Turnover Ratio	(Times)	31.67	32.01	31.92	35.12
Days to Collect average Accounts receivable	(Days)	11	11	11	10
Inventory Turnover Ratio	(Times)	44.44	45.05	36.56	34.52
Days to Collect average Inventory	(Days)	8	8	10	10
Payable Turnover Ratio	(Times)	21.89	22.69	20.87	20.31
Days to Repayment	(Days)	16	16	17	18
<b>Profitability Ratio</b>					
Gross Profit Rate	(Percent)	5.10	4.46	5.46	6.18
Operating Profit Rate	(Percent)	1.77	1.25	1.73	1.66
Net Profit Rate/Total income	(Percent)	1.38	1.00	0.95	1.47
Cash Rate/Profitability	(Percent)	80.04	160.11	94.34	133.59
Return on Equity Rate	(Percent)	10.80	7.91	6.41	8.82
Net Profit Rate	(Percent)	1.40	1.02	0.96	1.50
<b>Efficiency Ratio</b>					
Return on Assets Ratio	(Percent)	6.73	4.87	3.95	5.36
Return on Fixed Assets Ratio	(Percent)	18.18	14.68	15.23	18.41
Assets Turnover Ratio	(Times)	4.88	4.85	4.16	3.65
<b>Financial Ratio</b>					
Debt to Equity Ratio	(Times)	0.57	0.64	0.61	0.63
Interest Coverage Ratio	(Times)	32.24	33.28	20.95	12.63
Obligations Coverage Ratio	(Times)	0.01	0.02	0.02	0.02
Dividend Payout Ratio	(Percent)	49.88	40.67	45.54	42.44
<b>Data per share</b>					
Book value per share	(Baht)	3.38	3.25	3.27	3.05
Earning per share	(Baht)	0.36	0.26	0.20	0.26

Note: Par value of Baht 1 per share.



#### 14. Management Discussion and Analysis

In 2019, the Thai economy grew at approximately 2.4 %, decreased from 4.2 % in 2018, driven by a decreasing in export, consumption, and private investment.

For the board picture of oil industry in 2019, Thailand has a total oil consumption of 45,520 million litres, an increase of 2.8% or 1,249 million litres from 44,271 million litres in 2018, resulted from an ongoing economic problems and the decreasing in oil prices, which affected the demand for domestic oil consumption.

In 2019, the total sales volume of the Group of Companies was 1,394 million litres, an increase of 10.72% or 135 million litres from 2018, which was higher than the average growth rate of domestic oil consumption. The main factors those 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 in the retail oil prices, promotional activities throughout the year, such as the membership campaign, "SUSCO Smart Member, the more you fill, the more points you get", advertising through media channels, modernizing service stations, so as to attract more customers. In addition, the Company has selected new business partners, such as Lawson 108, FamilyMart, ChaoDoi coffee, Rabika coffee, Starbucks coffee, Subway, B-Quick, BOSCH Car Service, Tyre Plus, EV Charging Station and Solar Roof, and other businesses related to operate in our service stations in order to attract more customers.

The total revenue was Baht 28,144 million in 2019, a decrease of Baht 101 million or 0.36% from Baht 28,245 million in 2018. The sales revenue decreased from the reduction in average selling prices per litres, whereas the volumes and margin have been increased, and other income increased from the gain on sale of assets. The Company and its subsidiaries had a net profit of Baht 388.16 million, an increase of Baht 104.48 million compared to Baht 283.68 million in 2018. Year 2019 was the year that the Company achieved the highest operating profit since the Company was founded.

For 2020, the Thai economy is expected to expand by 1.5-2.5%, with an uncertain direction since there are many positive and negative controversial factors, such as, the war between the United States and Iran, the outbreak of the COVID-19 virus that affected domestic tourism industry, the ongoing trade negotiation between China and the United States, the government economic stimulus policy, and launched of the monetary and fiscal policies to alleviate the negative impacts on the tourism sector. However, the Group of Companies has assessed the majority of the variables those impacted on domestic oil usage and already prepared to deal with the fluctuation of crude oil prices in the world market by managing oil inventories regularly, including monitoring the situation closely.

##### **Financial Condition**

As of December 31, 2019, the Company and its subsidiaries had a total of Baht 2,027 million in current assets, Baht 1,675 million in current liabilities, Baht 3,602 million in non-current assets, and Baht 385 million in non-current liabilities. The Company had a total credit line approximately over Baht 4,000 million, whereas, the Company's long term debt was only Baht 148 million with a debt service coverage ratio (DSCR) of more than 6 times. This ratio was significantly higher



than the one usually requested by the commercial banks. This underpinned that the Company and its subsidiaries' has high liquidity to sufficiently service both the current operation and future expansion.

As of December 31, 2019, the Group of Companies has a very solid balance sheet and high ability to repay debt, as shown in the following financial ratios: the current ratio of 1.24, the receivables turnover ratio of 31.67, the inventory turnover ratio of 44.44, and the debt to equity ratio of only 0.57.



**SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**



## 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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

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 30, 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, 14, 15 and 16, 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 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.



(Mr. Thanawut Piboonsawat)

Certified Public Accountant

Registration No. 6699

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 19, 2020

**SUSCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2019**

**ASSETS**

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Note		2019	2018	2019	2018
<b>Current assets</b>					
Cash and cash equivalents	6	283,933	453,020	106,644	171,269
Trade accounts receivable	7	801,412	949,696	356,685	398,525
Other receivables		215,658	111,631	145,934	75,393
Inventories	8	638,693	545,696	255,581	216,851
Other current assets		131,938	106,632	79,085	76,209
Total current assets		2,071,634	2,166,675	943,929	938,247
<b>Non-current assets</b>					
Available-for-sale investment	9	382,500	417,562	-	-
Investments in associates	10	14,151	21,322	14,151	27,399
Investments in subsidiaries	11	-	-	1,922,269	1,922,269
Investment in joint venture	12	1,900	-	-	-
Other long-term investment	13	248	248	117	117
Investment properties	14	854,552	868,917	73,639	81,892
Property, plant and equipment	15	1,604,871	1,570,743	1,514,388	1,467,707
Leasehold rights	16	528,064	587,727	334,930	354,530
Intangible assets	17	69,996	79,707	6,875	8,897
Deferred tax assets	18	25,582	22,054	20,477	17,011
Other non-current assets		120,373	133,110	101,927	115,872
Total non-current assets		3,602,237	3,701,390	3,988,773	3,995,694
<b>TOTAL ASSETS</b>		<b>5,673,871</b>	<b>5,868,065</b>	<b>4,932,702</b>	<b>4,933,941</b>

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, 2019**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		Thousand Baht			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	Note	2019	2018	2019	2018
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	19	171,786	530,000	171,786	530,000
Trade accounts payable	20	1,157,396	1,247,189	1,644,983	1,651,071
Other payables	21	176,542	209,101	155,716	187,119
Current portion of long-term loans from					
financial institutions	22	99,100	-	99,100	-
Current portion of finance lease liabilities	23	2,822	1,815	2,822	1,815
Short-term loan from related parties		-	-	209,000	177,000
Income tax payable		31,698	14,625	15,755	6,667
Other account payable		35,900	67,142	18,855	11,937
Total current liabilities		<u>1,675,244</u>	<u>2,069,872</u>	<u>2,318,017</u>	<u>2,565,609</u>
<b>Non-current liabilities</b>					
Long-term loans from financial institution	22	148,725	-	148,725	-
Finance lease liabilities	23	4,699	1,985	4,699	1,985
Deferred tax liabilities	18	100,422	108,751	-	-
Employee benefit obligation	24	61,290	45,254	59,306	44,244
Other non-current liabilities		70,235	66,032	-	-
Total non-current liabilities		<u>385,371</u>	<u>222,022</u>	<u>212,730</u>	<u>46,229</u>
<b>TOTAL LIABILITIES</b>		<u>2,060,615</u>	<u>2,291,894</u>	<u>2,530,747</u>	<u>2,611,838</u>

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, 2019**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

		Thousand Baht			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	Note	2019	2018	2019	2018
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					
1,100,005,556 ordinary shares, Baht 1.00 each		1,100,006	-	1,100,006	-
1,100,000,001 ordinary shares, Baht 1.00 each		-	1,100,000	-	1,100,000
Share premium		45,016	45,000	45,016	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	25	-	27,498	-	27,498
Expired warrants	25	27,498	-	27,498	-
Retained earnings					
Appropriated					
Legal reserve		126,470	106,475	126,470	106,475
Treasury shares reserve	26	151,003	-	151,003	-
Unappropriated		1,944,310	1,896,306	857,624	797,789
Other components of shareholders' equity		125,495	156,431	880	880
		3,764,259	3,576,171	2,552,958	2,322,103
Less Treasury shares (50.01 million shares)	26	(151,003)	-	(151,003)	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		3,613,256	3,576,171	2,401,955	2,322,103
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		5,673,871	5,868,065	4,932,702	4,933,941

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, 2019**

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<b>Revenues</b>					
Revenues from sale, net	30	27,732,688	27,882,069	17,031,709	17,779,609
Revenues from natural gas station management service		90,487	95,643	56,783	62,156
Rental income		100,881	92,771	117,385	103,685
Franchise income		27,783	26,887	2,269	1,762
Dividend income	9, 11	17,503	16,099	173,242	186,349
Other income	31	175,075	131,285	196,164	149,602
Total revenues		28,144,417	28,244,754	17,577,552	18,283,163
<b>Expenses</b>					
Cost of sales of goods		26,317,780	26,638,720	15,934,481	16,809,927
Distribution costs	32	932,051	875,918	802,850	748,873
Administrative expenses	33	386,068	357,809	364,008	311,053
Finance costs	36	14,561	20,244	15,807	21,312
Total expenses		27,650,460	27,892,691	17,117,146	17,891,165
Share of loss of associates and joint venture	10	(4,384)	(3,038)	-	-
Profit before income tax expense		489,573	349,025	460,406	391,998
Income tax expense	37	101,413	65,345	60,499	40,380
Profit for the year		388,160	283,680	399,907	351,618
<b>Other comprehensive income</b>					
<b>Item that will not be reclassified to profit or loss :</b>					
Actuarial gain (losses) on defined employee benefit plans		3,552	-	3,657	-
Income tax relating to items that may be reclassified		(711)	-	(732)	-
		2,841	-	2,925	-
<b>Item that may be reclassified subsequently to profit or loss :</b>					
Share of other comprehensive income (expenses) of associates	10	(2,887)	(3,039)	-	-
Losses on remeasuring available for sale investments	9	(35,062)	(178,500)	-	-
Income tax relating to items that may be reclassified	37	7,013	35,700	-	-
		(30,936)	(145,839)	-	-
Other comprehensive income (expense) for the year, net of tax		(28,095)	(145,839)	2,925	-
Total comprehensive income for the year		360,065	137,841	402,832	351,618
<b>Earnings per share (Baht)</b>					
Basic earnings per share	38	0.36	0.26	0.37	0.32
Diluted earnings per share		0.36	0.26	0.37	0.32

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, 2019**

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	Expired warrants	Retained earnings			Other components of shareholders' equity				Treasury shares	Total shareholders' equity
							Appropriated		Unappropriated	Revaluation surplus	Available for-sale investment	Share of other comprehensive income (loss) of associates	Total other components of shareholders' equity		
							Legal reserve	Treasury shares reserved							
Note															
Beginning balance as at January 1, 2018	1,100,000	45,000	204,339	40,122	27,498	-	88,894	-	1,784,204	295,464	5,926	302,270	-	-	3,592,327
Legal reserve 39	-	-	-	-	-	-	17,581	-	(17,581)	-	-	-	-	-	-
Dividend payment 39	-	-	-	-	-	-	-	-	(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	152,664	2,887	156,431	-	-	3,576,171
Treasury shares 26	-	-	-	-	-	-	-	-	-	-	-	-	(151,003)	-	(151,003)
Treasury shares reserved 26	-	-	-	-	-	-	-	151,003	(151,003)	-	-	-	-	-	-
Warrants 25	6	16	-	-	(27,498)	27,498	-	-	-	-	-	-	-	-	22
Legal reserve 39	-	-	-	-	-	-	19,995	-	(19,995)	-	-	-	-	-	-
Dividend payment 39	-	-	-	-	-	-	-	-	(171,999)	-	-	-	-	-	(171,999)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	388,160	-	-	-	-	-	388,160
Other comprehensive income (expense) for the year, net of tax	-	-	-	-	-	-	-	-	2,841	(28,049)	(2,887)	(30,936)	-	-	(28,095)
Ending balance as at December 31, 2019	1,100,006	45,016	204,339	40,122	-	27,498	126,470	151,003	1,944,310	124,615	-	125,495	(151,003)	-	3,613,256

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, 2019**

Thousand Baht

Separate financial statements												
	Note	issued and paid-up shares capital	Share premium	Share premium on treasury shares	Surplus from decreasing share capital by writing off treasury shares	warrants	Expired warrants	Retained earnings		Other components of shareholders' equity	Treasury shares	Total shareholders' equity
								Legal reserve	Treasury shares reserved			
										Revaluation surplus		
Beginning balance as at January 1, 2018		1,100,000	45,000	204,339	40,122	27,498	-	88,894	-	617,749	880	2,124,482
Legal reserve	39	-	-	-	-	-	-	17,581	-	(17,581)	-	-
Dividend payment	39	-	-	-	-	-	-	-	-	(153,997)	-	(153,997)
Total comprehensive income for the year		-	-	-	-	-	-	-	-	-	-	-
Profit for the year		-	-	-	-	-	-	-	-	351,618	-	351,618
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
Treasury shares	26	-	-	-	-	-	-	-	-	-	(151,003)	(151,003)
Treasury shares reserved	26	-	-	-	-	-	-	-	151,003	(151,003)	-	-
Warrants	25	6	16	-	-	(27,498)	27,498	-	-	-	-	22
Legal reserve	39	-	-	-	-	-	-	19,995	-	(19,995)	-	-
Dividend payment	39	-	-	-	-	-	-	-	-	(171,999)	-	(171,999)
Total comprehensive income for the year		-	-	-	-	-	-	-	-	399,907	-	399,907
Profit for the year		-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax		-	-	-	-	-	-	-	-	2,925	-	2,925
Ending balance as at December 31, 2019		1,100,006	45,016	204,339	40,122	-	27,498	126,470	151,003	857,624	880	2,401,955

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, 2019**

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit for the year	388,160	283,680	399,907	351,618
Reconciliations of profit for the year to cash provided by (used in) operating activities:				
Depreciation	158,491	150,606	110,653	97,231
Amortization	81,738	85,286	34,004	31,505
Bad debt and doubtful debts (reversal)	2,230	1,440	3,350	1,826
Loss on inventories devaluation (reversal)	(21,981)	19,336	(11,003)	12,745
Loss on impairment of assets (reversal)	(9,952)	(30,214)	6,689	(9,647)
Loss on impairment of investment in associate	-	-	13,248	-
(Gain) loss on disposal of assets	(44,084)	(12,508)	(52,228)	(21,259)
Dividend income	(17,503)	(16,099)	(173,242)	(186,349)
(Gain) on sales of investment	-	(37)	-	-
Unrealized loss on exchange rate	(1,017)	1,839	(1,017)	1,842
(Gain) loss on return on investment in subsidiary	-	-	-	(8,539)
Share of loss of associates	4,384	3,038	-	-
Employee benefit expense	21,786	8,232	20,917	7,972
Finance costs	14,561	20,244	15,807	21,312
Income tax expense	101,413	65,345	60,499	40,380
Profit provided by operating activities before changes in operating assets and liabilities	678,226	580,188	427,584	340,637
(Increase) decrease in operating assets				
Trade and other account receivable	39,857	(179,360)	(34,196)	(24,998)
Inventories	(71,017)	71,957	(27,727)	33,536
Other current assets	(25,307)	(4,704)	(2,876)	2,009
Other non-current assets	12,906	10,648	13,945	18,018
Increase (decrease) in operating liabilities				
Trade and other accounts payable	(123,539)	135,107	(38,272)	233,027
Other current liabilities	(31,242)	21,474	6,917	4,761
Employee benefit obligation	(2,198)	(1,703)	(2,198)	(1,703)
Other non-current liabilities	4,229	17,330	-	-
Cash received from operations	481,915	650,937	343,177	605,287
Income tax expense paid	(90,067)	(92,105)	(55,608)	(58,290)
Net cash provided by operating activities	391,848	558,832	287,569	546,997

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, 2019**

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash receipts from sale of short-term investment	-	37	-	-
Cash payments for acquisition of investments in joint venture	(2,000)	-	-	-
Cash payments for acquisition of property, plant and equipment	(199,780)	(227,672)	(177,385)	(204,326)
Cash receipts from disposal of property, plant and equipment	85,856	40,749	83,635	37,503
Cash payments for acquisition of intangible assets and leasehold rights	(11,132)	(120,205)	(11,132)	(120,206)
Cash receipts on return on investment in subsidiary	-	-	-	13,487
Dividend received	17,503	16,099	173,242	186,349
Net cash provided by (used in) investing activities	(109,553)	(290,992)	68,360	(87,193)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(358,214)	300,000	(358,214)	300,000
Increase (decrease) in short-term loan from related parties	-	-	32,000	(255,000)
Cash receipts from long-term loans from financial institutions	297,825	-	297,825	-
Cash payments for repayment of long-term loan from financial institutions	(50,000)	(329,665)	(50,000)	(329,665)
Cash payments for repayment of finance lease liabilities	(2,934)	(1,060)	(2,934)	(1,060)
Cash payments for treasury shares	(151,003)	-	(151,003)	-
Dividend paid	(171,630)	(153,667)	(171,630)	(153,667)
Interest expense paid	(15,426)	(20,165)	(16,598)	(21,293)
Net cash used in financing activities	(451,382)	(204,557)	(420,554)	(460,685)
Net increase (decrease) in cash and cash equivalents	(169,087)	63,283	(64,625)	(881)
Cash and cash equivalents - beginning of year	453,020	389,737	171,269	172,150
Cash and cash equivalents - ending of year	283,933	453,020	106,644	171,269
<u>Supplemental cash flows information</u>				
Asset acquired under financial lease agreement	6,655	-	6,655	-

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



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		
		2019	2018	
Direct shareholding				
Siam Mongkol Oil Co., Ltd.	Trading of fuel, liquefied petroleum gas, lubricants and marts.	99.99	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 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

## 2.4 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

### **Financial reporting standards related to financial instruments:**

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

TFRS 7                      Financial Instruments: Disclosures

TFRS 9                      Financial Instruments

Accounting standard:

TAS 32                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                   Hedges of a Net Investment in a Foreign Operation

TFRIC 19                   Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.



## TFRS 16 Leases

These TFRSs supersede TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Revenue and expenses recognition

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Revenues from rendering services are recognized in profit or loss over the term of contract.

Rental income and its related services from an investment property are recognized on a straight-line basis over the term of the lease. Contingent rentals are recognized as income in the accounting period in which they are occurred. The related service income is recognized over the term of the lease.

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.

#### Revenue from customer loyalty program

The Company and its subsidiaries operate a loyalty program which allows customers to accumulate points when they purchase the Company's and its subsidiaries' products in The Company and subsidiaries. The points can then be redeemed for discounted goods in the future. These points provide a discount to customers that they would not receive without purchasing products. The promise to provide the discount to the customers is therefore a separate performance obligation.

The Company and its subsidiaries allocate the transaction price between the revenue from sales and the points on a relative fair value of such points, together with the consideration of the likelihood of redemption. Deferred income is recognized for revenue relating to the loyalty points at the time of the initial sales transactions. Revenue from loyalty points is recognized when the points are redeemed by the customer and the Company and its subsidiaries fulfill their obligation to supply awards. Revenue for points that are not expected to be redeemed is recognized in proportion to the pattern of rights exercised by customers.



### 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
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>Joint venture</u>	
SUSCO Media Joint Venture	Indirect shareholding through SUSCO Marketing Co., Ltd. and common director
<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, 2019 and 2018 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Subsidiaries</b>				
Sales of goods	-	-	148,558	98,803
Purchases of goods	-	-	5,615,489	5,941,048
Rental income	-	-	52,196	48,079
Management income	-	-	39,321	39,193
Dividend income	-	-	173,242	186,349
Other income	-	-	6,951	4,266
Other expense	-	-	55,119	53,720
Interest expense	-	-	3,846	5,283
<b>Associates</b>				
Sales of goods	-	799	-	799
Other income	1,392	1,425	1,392	1,425
<b>Related parties</b>				
Other income	753	902	753	902
Other expense	3,088	3,720	2,336	2,818



	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term benefit	65,102	59,963	62,960	57,287
Post-employment benefits and other long-term benefits	1,991	4,847	1,991	4,847
	<u>67,093</u>	<u>64,810</u>	<u>64,951</u>	<u>62,134</u>

5.4 Balances with related parties as at December 31, 2019 and 2018 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Asset</b>				
Trade accounts receivable				
Subsidiaries	-	-	9,123	2,857
Total	-	-	9,123	2,857
Less allowance for doubtful accounts	-	-	-	-
Net	<u>-</u>	<u>-</u>	<u>9,123</u>	<u>2,857</u>
Other receivables				
Subsidiaries	-	-	1,351	695
Associates	12	14	12	14
Related parties	135	75	135	75
Total	147	89	1,498	784
Less allowance for doubtful accounts	-	-	-	-
Net	<u>147</u>	<u>89</u>	<u>1,498</u>	<u>784</u>
<b>Liabilities</b>				
Trade accounts payable				
Subsidiaries	-	-	1,263,023	1,288,387
Related parties	5,466	7,626	5,397	7,557
Total	<u>5,466</u>	<u>7,626</u>	<u>1,268,420</u>	<u>1,295,944</u>



## Loans

		Thousand Baht			
Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
2019	2018	2019	2018	2019	2018
<b>Short-term</b>					
<b>loans</b>					
Subsidiaries	1.25 - 2.75	1.25 - 2.75	-	-	
			-	209,000	177,000
Net			-	209,000	177,000

Movements of loans from related parties for the years ended December 31, 2019 and 2018 were as follows:

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
At January 1,		-	-	177,000	432,000
Increase		-	-	32,000	30,000
Decrease		-	-	-	(285,000)
At December 31,		-	-	209,000	177,000

The Company entered into short-term loan agreement with Sirijaroenwattana Co., Ltd., which is a subsidiary of the Company, amounting to Baht 7 million and Baht 37 million with interest rate at 1.25% per annum and 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 75 million and Baht 70 million with interest rate at 1.25% and 2.75% per annum 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 February 1, 2019. The agreement can be renewable provided that both parties agree the conditions and further details of reagrment.



### Management service agreements

The Company has management service agreements with the subsidiaries for the period of 1 year commencing from October 1, 2019 and September 30, 2020, whereby the Company provides advice with regard to the management and administration of the organization. The agreement can be renewable provided that both parties agree the conditions and further details of re-agreement.

### Rental 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:

	Thousnd Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	31,680	45,024	29,915	42,437
Deposits at banks - current accounts	7,441	51,761	6,862	50,243
Deposits at banks - savings accounts	244,812	356,235	69,867	78,589
Total	283,933	453,020	106,644	171,269

## 7. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade account receivable				
Relate parties	-	-	9,123	2,857
Other parties	814,007	962,393	356,300	403,268
Total	814,007	962,393	365,423	406,125
Less Allowance for doubtful debts	(12,595)	(12,697)	(8,738)	(7,600)
Net	801,412	949,696	356,685	398,525



	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bad debts	4,234	3,854	4,114	2,759
Doubtful debts (reversal)	(2,004)	(2,414)	(764)	(933)

Trade accounts receivable classified by ages of accounts consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Related parties</b>				
Within credit term	-	-	9,123	2,857
Overdue:				
Less than 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total	-	-	9,123	2,857
<u>Less allowance for doubtful accounts</u>	-	-	-	-
	-	-	9,123	2,857
<b>Other parties</b>				
Within credit term	605,737	650,926	194,745	169,260
Overdue:				
Less than 3 months	194,201	294,651	151,636	224,051
3 - 6 months	1,195	4,005	902	2,243
6 - 12 months	6	1,476	6	53
Over 12 months	12,868	11,335	9,011	7,661
Total	814,007	962,393	356,300	403,268
<u>Less allowance for doubtful accounts</u>	(12,595)	(12,697)	(8,738)	(7,600)
	801,412	949,696	347,562	395,668
Net	801,412	949,696	356,685	398,525

## 8. INVENTORIES

Inventories consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Finished goods - oil	653,345	582,329	263,960	236,233
<u>Less</u> Allowance for decline in value	(14,652)	(36,633)	(8,379)	(19,382)
Net	<u>638,693</u>	<u>545,696</u>	<u>255,581</u>	<u>216,851</u>
Inventories recognized as an expense in				
Cost of sales of goods				
- Cost of sales of goods	26,339,761	26,619,384	15,945,484	16,797,182
- Reversal of write-down	(21,981)	19,336	(11,003)	12,745
Net	<u>26,317,780</u>	<u>26,638,720</u>	<u>15,934,481</u>	<u>16,809,927</u>

As at 31 December 2019 and 2018, inventories of the Company and its subsidiaries included the oil reserve, as required by law, which had been deposited at oil companies, totaling Baht 100 million and Baht 90 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	
	2019	2018	For the year ended December 31,	
			2019	2018
Investment in marketable equity securities				
Common stock	113,070	113,070	17,503	16,099
<u>Add</u> Unrealized gains on available-for-sale investment	269,430	304,492	-	-
Total	<u>382,500</u>	<u>417,562</u>	<u>17,503</u>	<u>16,099</u>



The movement of available-for-sale investments for the years ended December 31, 2019 and 2018, were as follows:

	Thousand Baht	
	Consolidated	
	Financial Statements	
	2019	2018
Beginning book value	417,562	596,062
Purchase of investments	-	-
Sale of investments	-	-
Changes in fair value	(35,062)	(178,500) *
Ending book value	382,500	417,562

\* Resulting from changes in the fair value of Bangkok Aviation Fuel Service Public Company Limited (BAFS). As at December 31, 2018, its price was Baht 32.75 per share and changed to be Baht 30.00 per share as at December 31, 2019.

## 10. INVESTMENT IN ASSOCIATES

Investment in associates consisted of:

					Thousand Baht				
					Consolidated financial statements		Separate financial statements		
					Equity Method		Cost Method		
Type of business	Paid-up capital (Thousand Baht)	Percentage of shareholding (%)		2019	2018	2019	2018	2019	2018
		2019	2018						
<u>Associates</u>									
Siam Mongkol Marine Co., Ltd	marine transportation services	130,000	18.69	18.69	14,151	21,322		53,771	53,771
<u>Less Allowance for impairment of investments</u>					-	-		(39,620)	(26,372)
Net					14,151	21,322		14,151	27,399

Share of profit (loss) of investment in associates and dividend income for the year ended December 31, 2019 and 2018 were as follows:

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<u>Siam Mongkol Marine Co., Ltd.</u>					
Share of profit (loss)		(4,284)	(3,038)	-	-
Share of other comprehensive income (expense)		(2,887)	(3,039)	-	-



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

	Thousand Baht	
	2019	2018
Current assets	7,032	21,083
Non-current assets	203,530	265,111
Current liabilities	(72,423)	(93,047)
Non-current liabilities	(62,426)	(79,066)
Revenue	110,090	136,399
Loss for the year	(22,920)	(16,256)
Other comprehensive income (loss) for the year	(15,448)	(16,260)
Total comprehensive income for the year	(38,368)	(32,516)

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	
	2019	2018
Net assets	75,713	114,081
Proportion of the interest	18.69	18.69
Carrying amount of the interest	14,151	21,322

## 11. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

Subsidiaries (direct shareholding)	Paid-up capital (million Baht)	Percentage of shareholding (%)		Thousand Baht			
				Separate financial statements		Dividend income	
				Cost method		For the year ended	
						December 31,	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	2019	2018
Siam Mongkol Oil Co., Ltd.	48	99.99	99.99	47,999	47,999	-	-
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	173,242	186,349
Total				1,922,269	1,922,269	173,242	186,349



## 12. INVESTMENT IN JOINT VENTURES

Investment in joint ventures consisted of:

					Thousand Baht			
Type of business	Paid-up capital (Thousand Baht)	Percentage of shareholding (%)		Consolidated financial statements		Separate financial statements		
				Equity Method		Cost Method		
		2019	2018	2019	2018	2019	2018	
<u>Joint ventures</u>								
SUSCO Midia Joint Venture	Advertising service	4,000	50.00	-	1,900	-	-	

Share of profit (loss) of investment in Joint Venture and dividend income for the year ended December 31, 2019 and 2018 were as follows:

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<u>SUSCO Midia Joint Venture</u>					
Share of profit (loss)		(100)	-	-	-

Summarized financial information in respect of SUSCO Midia Joint Venture (Joint Venture) of the material associate;

		Thousand Baht	
		2019	2018
Current assets		783	-
Non-current assets		3,677	-
Current liabilities		(660)	-
Revenue		25	-
Loss for the year		(200)	-

Reconciliation of the above summarized financial information to the carrying amount of the interest in SUSCO Midia Joint Venture recognized in the consolidated financial statements;

		Baht	
		2019	2018
Net assets		3,800	-
Proportion of the interest		50	-
Carrying amount of the interest		1,900	-



According to the Board of Directors' Meeting of Susco Marketing Co.,Ltd. (subsidiary) No. 2/2019 held on September 3, 2019, it had the resolution to co-invest in a joint venture business under the trade name “ joint venture Susco Media (SUSCO MEDIA)” which aims to operate the joint venture business selling or providing advertisement in the form of Digital LEDs in the petrol station area of Susco Public Company Limited (parent company) for a period of 5 years from the joint-venture agreement signing date September 9, 2019 onwards.

The joint venture business Susco Media has the registered capital Baht 4 million. The subsidiary has jointly invested at 50 percent totaling investment value of Baht 2 million. The subsidiary has fully paid in full value on September 16, 2019.

### 13. OTHER LONG-TERM INVESTMENTS

Other long-term investments consisted of:

Company's name	Thousand Baht					
	Percentage of shareholding (%)		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
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

### 14. INVESTMENT PROPERTIES

Investment properties consisted of:

	Thousand Baht				
	Consolidated financial statements				
	As at December	During the year			As at December
	31, 2018	Additions	Deduction	Reclassification	31, 2019
<u>At cost</u>					
Land	603,802	-	-	-	603,802
Building, petrol station and oil storage	1,077,624	22,649	(124,727)	(12,535)	963,011
Total	1,681,426	22,649	(124,727)	(12,535)	1,566,813
<u>Accumulated depreciation and impairment</u>					
Building, petrol station and oil storage	(812,509)	(43,319)	131,492	12,075	(712,261)
Total	(812,509)	(43,319)	131,492	12,075	(712,261)
Investment properties - net	868,917				854,552



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					
Separate financial statements					
	As at December	During the year			As at December
	31, 2018	Additions	Deduction	Reclassification	31, 2019
<u>At cost</u>					
Building, petrol station and oil storage	178,857	-	-	-	178,857
<u>Accumulated depreciation</u>					
Building, petrol station and oil storage	(96,965)	(8,253)	-	-	(105,218)
Investment properties - net	81,892				73,639

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

### Fair value

As at December 31, 2019 and 2018, the fair value of investment properties of Baht 1,458 million and Baht 1,408 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 1,458 million was the fair value of land for Baht 1,311 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 147 million based on Depreciated Replacement Value which has been categorised as a Level 3 fair value.

## 15. PROPERTY PLANT AND EQUIPMENT

Property plant and equipment consisted of:

	Thousand Baht					
	Consolidated financial statements					
	As at	Movement during the year				As at
	December, 31, 2018	Additions	Deduction	Transferred in (out)	Reclassification	December 31, 2019
<u>At cost</u>						
Land	1,059,861	35,884	(28,018)	-	-	1,067,727
Building and petrol station	1,083,082	36,401	(47)	64,037	-	1,183,473
Oil storage, dispensing pump, operating						
Equipment, electricity system,						
and others	781,780	43,833	(5,528)	10	12,363	832,458
Furniture and fixture	77,711	5,693	(3,664)	-	172	79,912
Vehicles	45,714	9,194	(3,308)	-	-	51,600
Assets under construction and installation	25,930	54,403	(37)	(64,047)	-	16,249
<b>Total</b>	<b>3,074,078</b>	<b>185,408</b>	<b>(40,602)</b>	<b>-</b>	<b>12,535</b>	<b>3,231,419</b>
<u>Accumulated depreciation and impairment</u>						
Land	(19,542)	(11,095)	-	-	-	(30,637)
Building and petrol station	(776,758)	(52,071)	3	-	-	(828,826)
Oil storage, dispensing pump, operating						
Equipment, electricity system,						
and others	(608,615)	(47,316)	5,001	-	(11,921)	(662,851)
Furniture and fixture	(59,159)	(8,188)	3,662	-	(154)	(63,839)
Vehicles	(39,261)	(4,441)	3,307	-	-	(40,395)
<b>Total</b>	<b>(1,503,335)</b>	<b>(123,111)</b>	<b>11,973</b>	<b>-</b>	<b>(12,075)</b>	<b>(1,626,548)</b>
<b>Property, plant and equipment, net</b>	<b>1,570,743</b>					<b>1,604,871</b>



Thousand Baht						
Consolidated 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	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
<u>Accumulated depreciation and impairment</u>						
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						
Separate financial statements						
	As at	Movement during the year				As at
	December. 31, 2018	Additions	Deduction	Transferred in (out)	Reclassification	December 31, 2019
<u>At cost</u>						
Land	1,049,183	35,884	(28,018)	-	-	1,057,049
Building and petrol station	1,032,460	36,328	(47)	64,037	-	1,132,778
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	546,759	44,153	(5,528)	10	-	585,394
Furniture and fixture	70,374	5,708	(3,665)	-	-	72,417
Vehicles	44,959	9,194	(3,308)	-	-	50,845
Assets under construction and installation	25,930	54,403	(37)	(64,047)	-	16,249
Total	2,769,665	185,670	(40,603)	-	-	2,914,732
<u>Accumulated depreciation and impairment</u>						
Land	(19,542)	(11,095)	-	-	-	(30,637)
Building and petrol station	(746,186)	(49,675)	3	-	-	(795,858)
Oil storage, dispensing pump, operating						
Equipment, electricity system, and others	(445,078)	(37,388)	5,001	-	-	(477,465)
Furniture and fixture	(52,858)	(7,767)	3,663	-	-	(56,962)
Vehicles	(38,294)	(4,435)	3,307	-	-	(39,422)
Total	(1,301,958)	(110,360)	11,974	-	-	(1,400,344)
Property, plant and equipment, net	1,467,707					1,514,388



	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

During the year 2019, the Company sold land to third parties at the selling price net cost to sell of Baht 78.84 million. The said land has a book value of Baht 28.02 million, therefore, the Company has gain from disposal of assets in the amount of Baht 50.82 million which has been included in other income in profit or loss for the years ended December 31, 2019.

As at December 31, 2019 and 2018, a portion of the Company's lands with book value of Baht 726 million and Baht 743 million, respectively were pledged to as collateral for credit facilities from bank.

As at December 31, 2019 and 2018, the Company and its subsidiaries had assets which were fully depreciated but they are still in use with gross carrying amount of Baht 1,170 million and Baht 983 million, respectively (for the Company amounting to Baht 1,151 million and Baht 964 million, respectively).

As at December 31, 2019 and 2018, the Company and its subsidiaries had vehicle under the finance lease with its carrying amount of Baht 10.48 million and Baht 6.00 million, respectively (for the Company amounting to Baht 10.48 million and Baht 6.00 million, respectively).



## 16. LEASEHOLD RIGHTS

Leasehold rights are the rights obtained from the land lease contracts and its movements for the years ended December 31, 2019 and 2018 were summarized as follows:

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>At cost</b>		
Balance as at December 31, 2017	1,358,150	385,001
Acquisitions during the year	119,908	119,908
Disposals during the year	(112,497)	(13,472)
Balance as at December 31, 2018	1,365,561	491,437
Acquisitions during the year	8,820	8,820
Disposals during the year	(30,827)	-
Balance as at December 31, 2019	1,343,554	500,257
<b>Accumulated amortization and impairment</b>		
Balance as at December 31, 2017	(817,108)	(123,184)
Amortization for the year	(72,936)	(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	(777,834)	(136,907)
Amortization for the year	(69,733)	(29,670)
Accumulated amortization on disposals for the year	30,827	-
Impairment losses during the year	-	-
Reversal of impairment losses for the year	1,250	1,250
Balance as at December 31, 2019	(812,490)	(165,327)
<b>Net book value</b>		
Balance as at December 31, 2018	587,727	354,530
Balance as at December 31, 2019	528,064	334,930



## 17. INTANGIBLE ASSETS

Intangible assets consisted of:

	Thousand Baht			
	Consolidated financial statements			
	As at	Movements during the year		As at
	December 31, 2018	Additions	Deduction	December 31, 2019
<u>At cost</u>				
Software licenses	64,550	2,312	(3,237)	63,625
Trademarks	2,250	-	-	2,250
The right to use the trademark	838	-	-	838
Rights to manage gas stations	120,000	-	-	120,000
Total	187,638	2,312	(3,237)	186,713
<u>Accumulated amortization</u>				
Software licenses	(55,212)	(4,411)	3,219	(56,404)
Trademarks	(1,110)	(785)	-	(1,895)
The right to use the trademark	(261)	(111)	-	(372)
Rights to manage gas stations	(51,348)	(6,698)	-	(58,046)
Total	(107,931)	(12,005)	3,219	(116,717)
Intangible assets, net	79,707			69,996

	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
The right to use the trademark	838	-	-	838
Rights to manage gas stations	120,000	-	-	120,000
Total	189,089	297	(1,748)	187,638
<u>Accumulated amortization</u>				
Software licenses	(52,205)	(4,755)	1,748	(55,212)
Trademarks	(325)	(785)	-	(1,110)
The right to use the trademark	(149)	(112)	-	(261)
Rights to manage gas stations	(44,650)	(6,698)	-	(51,348)
Total	(97,329)	(12,350)	1,748	(107,931)
Intangible assets, net	91,760			79,707



Thousand Baht				
Separate financial statements				
	As at	Movements during the year		As at
	December 31, 2018	Additions	Deduction	December 31, 2019
<u>At cost</u>				
Software licenses	29,292	2,312	(2,435)	29,169
Trademarks	2,250	-	-	2,250
Total	31,542	2,312	(2,435)	31,419
<u>Accumulated amortization</u>				
Software licenses	(21,535)	(3,549)	2,435	(22,649)
Trademarks	(1,110)	(785)	-	(1,895)
Total	(22,645)	(4,334)	2,435	(24,544)
Intangible assets, net	8,897			6,875

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

## 18. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	13,687	11,585	20,697	17,231
Deferred tax liabilities	(88,527)	(98,282)	(220)	(220)
Deferred tax assets (liabilities) - net	(74,840)	(86,697)	20,477	17,011

Movements for the years ended December 31, 2019 and 2018 were summarized as follows:

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2018	In profit or loss	In other comprehensive income	December 31, 2019
Deferred tax assets:				
Trade and other account receivables	3,025	(340)	-	2,685
Long-term investments	711	-	-	711
Employee benefit obligations	7,849	3,153	(711)	10,291
Total	11,585	2,813	(711)	13,687
Deferred tax liabilities:				
Long-term investments	(60,898)	-	7,013	(53,885)
Property, plant and equipment and investment investment properties	(4,060)	(1,302)	-	(5,362)
Leasehold rights	(33,100)	4,046	-	(29,054)
Other non-current assets	(220)	-	-	(220)
Other payable	(4)	(2)	-	(6)
Total	(98,282)	2,742	7,013	(88,527)
Deferred tax assets (liabilities) - net	(86,697)			(74,840)

	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 comprehensive income	December 31, 2018
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	(404)	-	-
Employee benefit obligations	6,551	1,298	-	7,849
Total	11,267	318	-	11,585
Deferred tax liabilities:				
Long-term investments	(96,598)	-	35,700	(60,898)
Property, plant and equipment and investment investment properties	-	(4,060)	-	(4,060)
Leasehold rights	(37,771)	4,671	-	(33,100)
Other non-current assets	(220)	-	-	(220)
Other payable	-	(4)	-	(4)
Total	(134,589)	607	35,700	(98,282)
Deferred tax assets (liabilities) - net	(123,322)			(86,697)



Thousand Baht				
Separate financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2018	In profit or loss	In other comprehensive income	December 31, 2019
Deferred tax assets:				
Trade and other account receivables	2,337	(153)	-	2,184
Long-term investments	711	-	-	711
Property, plant and equipment and investment investment properties	6,080	1,588	-	7,668
Leasehold rights	452	(250)	-	202
Employee benefit obligations	7,651	3,013	(732)	9,932
Total	17,231	4,198	(732)	20,697
Deferred tax liabilities:				
Other non-current assets	(220)	-	-	(220)
Total	(220)	-	-	(220)
Deferred tax assets (liabilities) - net	17,011			20,477

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

As at December 31, 2019 and 2018, several subsidiaries had an accumulated loss (in tax) that was still unused of approximately Baht 67 million and Baht 84 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.

## 19. BANK OVERDRAFTS AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Bank overdrafts and short-term loan from financial institution consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	11,786	-	11,786	-
Promissory note	-	230,000	-	230,000
Trust receipts	160,000	300,000	160,000	300,000
Total	171,786	530,000	171,786	530,000

As at December 31, 2019 and 2018, 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 4,094 million and Baht 3,884 million, respectively.

## 20. TRADE ACCOUNTS PAYABLE

Trade accounts payable consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Related parties	5,466	7,626	1,268,420	1,295,944
Other parties	1,151,930	1,239,563	376,563	355,127
Total	1,157,396	1,247,189	1,644,983	1,651,071

## 21. OTHER PAYABLES

Other payables consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accrued operating expenses	121,416	139,811	108,379	125,900
Deposits and advances received	54,796	69,235	47,325	61,199
Others	330	55	12	20
Total	176,542	209,101	155,716	187,119



## 22. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long-term loans	300,000	-	300,000	-
Decrease	(50,000)	-	(50,000)	-
<u>Less</u> Deferred financial cost	(2,175)	-	(2,175)	-
<u>Less</u> Current portion	(99,100)	-	(99,100)	-
Long-term loans - net	148,725	-	148,725	-

On May 22, 2019, the Company has made a long-term loan from a local financial institution amounted Baht 300 million, with fixed interest rate of 3.67% per annum. Such loan has the objective to support the expanding of retail business through petrol stations. The Company has withdrawn the loan in fully amount and has the conditions of principal repayment for the total of 12 installments. The repayment is made for 3 months per installment of Baht 25 million each. The final installment has agreed to repay equal to the remaining principal amount. The first installment has started on September 2019 and the Company will repay the principal of the loan with interest to be completed in 36 months from the withdrawn month of the loan.

The Company must comply with the significant conditions specified in the loan agreement, ie maintaining the debt to equity ratio (D/E Ratio) not more than 1.5 times, however, the debt to equity ratio must not be lower than zero and the debt service coverage ratio (DSCR) not less than 1.25 times.

Long-term loans as at December 31, 2019 and 2018 has the collaterals which are the assets as follows:

	Thousand Baht	
	Consolidated financial statements / Separate financial statements	
	2019	2018
Property	726,403	743,101
Cash at banks	-	10,000
Total	726,403	753,101



## 23. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements were consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Liabilities under finance lease agreements	7,902	4,025	7,902	4,025
Less deferred interest	(381)	(225)	(381)	(225)
	7,521	3,800	7,521	3,800
Less current portion within one year	(2,822)	(1,815)	(2,822)	(1,815)
Liabilities under finance lease agreements - net	4,699	1,985	4,699	1,985

	Thousand Baht					
	Consolidated financial statements / Separate financial statements					
	2019			2018		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due within 1 year	3,038	(216)	2,822	1,953	(138)	1,815
Payment due over 1 year to 5 years	4,864	(165)	4,699	2,072	(87)	1,985
Total	7,902	(381)	7,521	4,025	(225)	3,800

As at December 31, 2019, the Company has finance lease agreements of rental vehicles with 4 local leasing companies which has 22 finance lease agreements in the total lease amount of Baht 16 million. Installments are due on a monthly basis over 48 months in monthly of Baht 7.90 million.

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.



## 24. EMPLOYEE BENEFIT OBLIGATIONS

### The statements of financial position

	Thousand Baht			
	Consolidated financial		Separate financial statements	
	statements			
	2019	2018	2019	2018
Defined benefits obligation at January 1,	45,342	38,725	44,244	37,974
Benefits paid by the plan	(2,198)	(1,703)	(2,198)	(1,703)
Past service costs and interest				
- change a post-employment benefits plan amendment	11,012	-	10,866	-
Current service costs and interest	10,774	8,232	10,051	7,973
Actuarial (gain) arising from defined employee benefits plans	(3,552)	-	(3,657)	-
Defined benefits obligation at December 31,	61,290	45,254	59,306	44,244

### Expense recognized in the statements of comprehensive income:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Past service costs	11,012	-	10,866	-
Current service cost				
Service cost	10,035	7,384	9,332	7,142
Interest on obligation	739	848	719	831
Total	21,786	8,232	20,917	7,973

On April 5, 2019, the Labour Protection Act has been 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 Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the profit or loss.

## Actuarial (gain) losses on defined employee benefits plans

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Actuarial losses arising from				
Changes in demographic assumptions	(3,368)	-	(3,275)	-
Changes in financial assumptions	3,416	-	3,328	-
Experience adjustments	(3,600)	-	(3,710)	-
Total	(3,552)	-	(3,657)	-

## 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, 2019 and 2018 are summarized below:

	Thousand Baht			
	2019			
	Consolidate financial statements		Separate financial statements	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(4,671)	5,278	(4,478)	5,052
Salary increase rate	5,325	(4,811)	5,102	(4,616)
Turnover rate	(4,983)	1,311	(4,774)	1,253

	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



Principal actuarial assumptions at the reporting date

	2019		2018	
	Percentage		Percentage	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Discount rate	1.46 - 1.75	1.46	2.22 - 2.25	2.25
Salary increase rate	5	5	5	5
Employee turnover rate				
Below 31 years	31 - 51	51	30 - 50	50
31 - 40 years	22 - 32	30	28 - 36	28
41 - 50 years	0 - 22	17	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 2019	100.00 of Thai mortality table 2019	100.00 of Thai mortality table 2017	100.00 of Thai mortality table 2017

## 25. WARRANTS

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

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

The Company received Baht 27.50 million from the offering of such warrants and presented such items under the shareholders' equity.

During the exercise date to February 4, 2019 (late exercise date), there were the warrant holders for 5,556 units to exercise the right to purchase 5,556 ordinary shares of the Company. Therefore, the remaining balance of unexercised warrants was 274,971,755 units or Baht 27.50 million. The Company stated the transactions of expired warrants in the shareholders' equity.



## 26. TREASURY SHARES

According to the resolution of the Board of Directors Meeting No. 2/2019 on February 28, 2019, the Board of Directors passed a resolution to approve the Company to purchase the treasury share not exceeding 110 million shares or not exceeding Baht 325 million. As at September 30, 2019, the Company has 50.01 million treasury shares, with an average cost of Baht 3.02 per share, amounting to Baht 151.00 million. The remaining treasury shares of 50.01 million shares at 1 baht per share represent 4.55% of the paid-up capital of the company.

The Company has appropriated retained earnings to reserve for treasury shares in the amount of Baht 151.00 million. This reserve will not be paid as dividends until the treasury shares are sold or reduced paid-up capital by write off the remaining shares that can not be sold within the period of not over than 3 years, whichever is the case.

The company is able to hold 50.01 million treasury shares during March to September 2019 for no more than 3 years from the date of purchase or can be held until within September 2022.

## 27. 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.

## 28. 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.

## 29. 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 brought forward (if any), until the reserve reaches 10% of the registered capital. The legal reserve is not available for dividend distribution.

## 30. 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, 2019 and 2018, were summarized as follows:

	Thousand Baht	
	Consolidated financial statements	
	2019	2018
Thailand	20,532,766	19,963,593
Cambodia	6,502,491	7,103,811
Myanmar	352,801	480,949
Laos	324,962	278,200
China	19,668	55,516
Total	27,732,688	27,882,069

#### 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, 2019 and 2018, were summarized as follows:

Major customer	Number of customer		Thousand Baht	
	Consolidated financial statements		Consolidated financial statements	
	2019	2018	2019	2018
Customers in Cambodia	2	2	6,502,491	7,103,811



### 31. OTHER INCOME

Other income consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Management fee	-	-	39,321	39,194
Gain on disposal of assets	44,051	22,065	52,229	21,388
Utilities charges	17,104	15,086	23,528	18,493
Reversal loss on impairment of assets	16,642	30,214	-	9,647
Gain on exchange rate	14,890	13,466	14,891	13,464
Through-put charge services	9,431	8,720	9,431	8,720
Revenue from sale of beverage	9,034	7,891	9,034	7,891
Transportation income	4,527	5,301	3,783	4,399
Interest income	1,779	2,026	673	912
Others	57,617	26,516	43,274	25,494
Total	175,075	131,285	196,164	149,602

### 32. CONTRIBUTION COSTS

Contribution costs consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Personnel expenses	273,402	243,617	243,082	223,117
Depreciation and amortization	182,109	177,130	93,984	78,587
Rental expenses	146,315	127,312	172,681	150,414
Transportation expenses	121,027	116,575	116,155	112,423
Utilities and facilities expenses	65,774	57,362	61,725	54,560
Promotion expenses	52,409	55,731	47,189	49,737
Maintenance expenses	14,008	17,811	11,130	12,999
Others	77,007	80,380	56,904	67,036
Total	932,051	875,918	802,850	748,873



### 33. ADMINISTRATIVE EXPENSES

Administrative expense consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Personnel expenses	220,805	192,208	209,614	181,603
Depreciation and amortisation	58,120	58,762	50,673	50,149
Bank charges	20,962	20,947	20,444	20,472
Maintenance expenses	21,322	18,363	19,857	16,965
Loss on disposal of assets	-	648	-	-
Loss on impairment of investment	-	-	13,248	-
Loss on impairment of assets	6,689	-	6,689	-
Rental expenses	8,109	7,908	8,105	7,913
Others	50,061	58,973	35,378	33,951
Total	386,068	357,809	364,008	311,053

### 34. EMPLOYEE BENEFIT EXPENSE

Employee benefit expense consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Wages and salaries	348,935	317,241	316,990	292,979
Provident fund	8,592	7,772	8,369	7,594
Others	136,680	110,812	127,337	104,147
Total	494,207	435,825	452,696	404,720

#### 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, 2019 and 2018 were amounted to Baht 8,592 million and Baht 7,772 million (for the Company were amounted to Baht 8,369 million and Baht 7,594 million), respectively.



### 35. EXPENSES BY NATURE

Expense by nature consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Changes in inventories of finished goods (92,997)		91,293	(38,730)	46,280
Cost of sales of finished goods	26,410,777	26,547,427	15,973,210	16,763,647
Personal expenses	494,207	435,825	452,696	404,720
Depreciation and amortisation	240,229	235,892	144,657	128,736
Rental expenses	154,425	135,219	180,787	158,327
Transportation expenses	121,027	116,575	116,155	112,423
Utilities and facilities expenses	74,355	65,774	68,503	61,318
Promotion expenses	52,409	55,731	47,189	49,737
Maintenance expenses	35,330	36,175	30,987	29,964
Loss on impairment of investment	6,689	-	19,937	-
Others	139,449	152,536	105,948	114,701
Total	27,635,900	27,872,447	17,101,339	17,869,853

### 36. FINANCE COSTS

Finance costs consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Interest expenses				
Related parties	-	-	3,846	4,852
Other parties	14,561	20,244	11,961	16,460
Total	14,561	20,244	15,807	21,312



### 37. TAX EXPENSE (TAX INCOME)

37.1 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	
	2019	2018	2019	2018
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the period	106,968	66,269	64,697	39,518
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(5,555)	(924)	(4,198)	862
Total	101,413	65,345	60,499	40,380
Income tax relating to components of other comprehensive income:				
Gain (loss) on remeasuring available for sale investment	(7,013)	(35,700)	-	-
Actuarial gain (losses) on defined employee benefits plans	711	-	732	-
Total	(6,302)	(35,700)	732	-

37.2 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, 2019 and 2018 which were summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit (loss) for the year	489,573	349,025	460,406	391,998
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	97,913	69,805	92,082	78,400



	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	17,705	20,626	11,622	4,405
Tax effect of income that are not required in determining taxable profit and expenses allowed as additional in determining tax profit	(8,650)	(17,554)	(39,007)	(43,487)
The amount of previously unrecognized tax losses for a prior year that is used to reduce current tax expense	-	(6,808)	-	-
(Over) under provided in prior years	-	200	-	200
Deferred tax expense arising from the write-down of deferred tax asset	(5,555)	(924)	(4,198)	862
Total reconciliation items	3,500	(4,460)	(31,583)	(38,020)
Total tax expense (income)	101,413	65,345	60,499	40,380

37.3 A numerical reconciliation between tax average effective tax rate and the application tax rate for the years ended December 31, 2019 and 2018 were summarized as follows:

	Consolidated financial statements			
	2019		2018	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	489,573		349,025	
Tax expense (income) at the applicable tax rate	97,913	20.00	69,805	20.00
Reconciliation items	3,500	0.72	(4,460)	(1.28)
Tax expense (income) at the average effective tax rate	101,413	20.72	65,345	18.72

	Separate financial statement			
	2019		2018	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	460,406		391,998	
Tax expense (income) at the applicable tax rate	92,082	20.00	78,400	20.00
Reconciliation items	(31,583)	(6.86)	(38,020)	(9.70)
Tax expense (income) at the average effective tax rate	60,499	13.14	40,380	10.30



### 38. 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		Separate financial	
		statements		statements	
		2019	2018	2019	2018
Profit (loss) for the period of parent company	(Thousand Baht)	388,160	283,680	399,907	351,618
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)	5	-	5	-
Number of ordinary shares that would have been issued at fair value	(Thousand shares)	(30,197)	-	(30,197)	-
Weighted average number of ordinary share plus effect of assumed conversion	(Thousand shares)	1,069,808	1,100,000	1,069,808	1,100,000
Basic earnings (loss) per share	(Baht per share)	0.36	0.26	0.37	0.32
Diluted earnings (loss) per share	(Baht per share)	0.36	0.26	0.37	0.32

### 39. DIVIDEND

#### Year 2019

At the Annual Shareholder's Meeting held on April 25, 2019, the shareholders approved the dividend of the second half year of 2018 at Baht 0.08 per share, totaling Baht 88 million, which will be paid on May 13, 2019

At the Board of Directors Meeting held on August 13, 2019, the shareholders approved the interim dividend of year of 2019 at Baht 0.08 per share, totaling Baht 84 million. Legal reserve is set aside in the amount of Baht 19.99 million, which will be paid on September 12, 2019.

#### 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. Legal reserve is set aside in the amount of Baht 17.58 million, which will be paid on September 7, 2018.



## 40. FINANCIAL INSTRUMENTS

### 40.1 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.

### 40.2 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 2019, 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	244,811	-	39,122	283,933	0.20 - 0.63
Trade and other accounts receivable	-	-	1,017,070	1,017,070	-
Investments	-	-	248	248	-
<u>Financial liabilities</u>					
Bank overdraft and short-term loans from					
financial institutions	-	171,786	-	171,786	1.93 - 2.55
Trade and other accounts payable	-	-	1,333,938	1,333,938	-
Finance lease liabilities	7,521	-	-	7,521	0.95 - 4.26
Long-term loans	-	247,825	-	247,825	3.67



	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	69,867	-	36,777	106,644	0.20 - 0.63
Trade and other accounts receivable	-	-	502,619	502,619	-
Investments	-	-	117	117	-
<u>Financial liabilities</u>					
Bank overdraft and short-term loans from financial institutions	-	171,786	-	171,786	1.93 - 2.55
Trade and other accounts payable	-	-	1,800,699	1,800,699	-
Short - term loan from related parties	-	209,000	-	209,000	1.25 - 2.75
Finance lease liabilities	7,521	-	-	7,521	0.95 - 4.26
Long-term loans	-	247,825	-	247,825	3.67

#### 40.3 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.

#### 40.4 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, 2019 and 2018, 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	
	2019	2018	2019	2018
Trade account receivables - US Dollars				
Carrying amount on statement of financial position	373,648	429,040	179,054	184,484
Currency forwards	(148,471)	(139,222)	(148,471)	(139,222)
Net exposure	225,177	289,818	30,583	45,262

#### 40.5 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.

#### 40.6 Fair value of financial instruments

As at December 31, 2019 and 2018, 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			
		2019			
Asset	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Available-for-sale investment-equity securities	382,500	382,500	-	-	382,500
Forward foreign exchange contracts	-	-	148,471	-	148,471

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

		Thousand Baht			
		Separate financial statements			
		2019			
Asset	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Available-for-sale investment-equity securities	-	-	-	-	-
Forward foreign exchange contracts	-	-	148,471	-	148,471



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

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.

#### 41. 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, 2019, the Company and its subsidiaries's debt-to-equity ratio was 0.57 : 1 (as at December 31, 2018 was 0.64 : 1) and the Company's was 1.05 : 1 (as at December 31, 2018 was 1.12 : 1)

#### 42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

		Thousand Baht			
		Consolidated financial statements			
		2019			
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction Increase Translation on exchange rate		Balance as at December 31, 2019
Bank overdrafts and Short-term loans from financial institutions	530,000	(358,214)	-	-	171,786
Long-term loan from financial institutions	-	247,825	-	-	247,825
Finance lease liabilities	3,800	(2,934)	6,655	-	7,521
Total	533,800	(113,323)	6,655	-	427,132



	Thousand Baht				
	Consolidated financial statements				
	2018				
	Balance as at	Cash flows	Non-cash transaction		Balance as at
	January 1,	Increase	Increase	Translation on	December 31,
	2018	(decrease)*		exchange rate	2018
Bank overdrafts and 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				
	Separate financial statements				
	2019				
	Balance as at	Cash flows	Non-cash transaction		Balance as at
	January 1,	Increase	Increase	Translation on	December 31,
	2019	(decrease)*		exchange rate	2019
Bank overdrafts and Short-term loans from					
financial institutions	530,000	(358,214)	-	-	171,786
Short-term loan from related parties	177,000	32,000	-	-	209,000
Long-term loan from financial institutions	-	247,825	-	-	247,825
Finance lease liabilities	3,800	(2,934)	6,655	-	7,521
Total	710,800	(81,323)	6,655	-	636,132

	Thousand Baht				
	Separate financial statements				
	2018				
	Balance as at	Cash flows	Non-cash transaction		Balance as at
	January 1,	Increase	Increase	Translation on	December 31,
	2018	(decrease)*		exchange rate	2018
Bank overdrafts and 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

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



#### 43. COMMITMENTS AND CONTINGENT LIABILITIES

##### 43.1 Operating lease

	Thousand Baht			
	Consolidated financial		Separate financial	
	statements		statements	
	2019	2018	2019	2018
<b>Non-cancellable operating lease</b>				
Within one year	143,185	139,001	116,162	111,873
After one year but within five years	447,283	449,855	351,674	347,767
After five years	833,663	825,565	738,552	709,797
Total	1,424,131	1,414,421	1,206,388	1,169,437

##### 43.2 Significant Agreements

###### Aviation Fuels Sale Agreements

As at December 31, 2019, 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, 2019, 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 2019, the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 4.92 million (equal to Baht 148.47 million) with maturity date in January 2020.

###### Construction contracts

As at December 31 2019, the Company had obligation on construction contracts of petrol station in the amount of Baht 9.81 million. The such agreement did not specify payment date but divided the installments depending on completion of work according the agreement. Payment will be controled by agreement to withdraw from engineering department.



#### 43.3 Letter of guarantee from banks

As at December 31 2019, the Company and its subsidiaries had contingent liabilities for the letter of guarantees issued by the bank in the total amount of Baht 1,689.52 million. (for the Company amount of Baht 1,188.85 million).

#### 44. RECLASSIFICATION

Certain amounts in the financial statements for the period ended December 31, 2018 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follow:

	Thousand	
	Consolidated financial statement	
	As previously reported	As reclassified
<u>The statements of financial position.</u>		
Leasehold rights	588,304	587,727
Intangible assets	79,130	79,707

#### 45. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's board of directors on February 19, 2020.





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