



บริษัท สแกน อินเตอร์ จำกัด (มหาชน)
SCAN INTER PUBLIC COMPANY LIMITED



SCAN



ANNUAL REPORT 2017

๑๒๓๔๕๖๗๘๙๐



CREATING SUSTAINABLE ENERGY

LEADING ENERGY INNOVATIONS
AND TECHNOLOGY IN ASIA PACIFIC



OVERALL BUSINESS IMAGE

- [01] Message from the Chairman
- [02] Message from the President
- [03] Message from the Managing Director
- [04] Board of Directors
- [18] Corporate Ethics
- [24] Financial Highlights
- [29] General Information and Other Important Information

SCN BUSINESSES

- [31] Shareholding Structure and Company Group
- [34] Dividend Payment Policy of the Company and Subsidiaries
- [36] Overall Image of Business
- [55] Risk Factors

SCN GOOD CORPORATE GOVERNANCE

- [57] Management Structure
- [84] Policy for Business Direction
- [84] Rights of Shareholders
- [85] Equitable Treatment of Shareholders
- [86] Roles of Stakeholders
- [87] Information Disclosure and Transparency
- [88] Responsibilities of the Board and Sub-Committees
- [91] Supervision of Subsidiaries' Operations
- [92] Internal Data Usage Supervision
- [93] Auditors' Fee
- [94] Internal Control and Risk Management
- [94] Transactions

CONTENTS

Annual Report 2017

40

- [96] **CORPORATE SOCIAL RESPONSIBILITY**
- [112] **POLICIES AND ACTIONS IN PREVENTING CORRUPTION**
- [116] **COMPLAINT AND WHISTLEBLOWING POLICY**
- [118] **REPORT OF THE AUDIT COMMITTEE**

FINANCIAL STATEMENT

- [121] Report of the Committee's Responsibilities towards the Financial Statement
- [122] Management Discussion and Analysis (MD&A)
- [134] Auditor's Report
- [139] Financial Statement
- [142] Notes to the Financial Statement



VISION

Leading energy innovations and
technology in Asia Pacific

MISSION

1. Research and develop energy technology that is clean and sustainable by adapting technology to build value for the business.
2. Create satisfying return for investors.
3. Manage human resources to be qualified, create inspiration and maintain a good relationship with the team in a supportive atmosphere.
4. Plays a part in developing a sustainable environment.

SCAN INTER PUBLIC COMPANY LIMITED

MESSAGE FROM THE CHAIRMAN

The overall image for the natural gas energy industry in 2017 is the year that consumers have a better understanding of the NGV price structure more. Consumers are also more aware that NGV is the cheap alternative and creates most value compared to other fuels for vehicles.

In the period when oil fuel prices rose, the average difference for NGV price is still 50% cheaper than diesel and 50-60% cheaper than benzene. Since the NGV price structure in Thailand is set to adjust slower than oil fuel prices, as well as a price calculation formula that makes NGV gas prices cheaper than other fuels e.g. diesel and benzene, therefore transportation entrepreneurs to still constantly choose NGV as the main energy source.

Also, other private sectors than PTT have received the chance to invest and expand their NGV service station businesses freely and changing contracts to trade natural gas according to the heat value beneath a new pricing structure. Originally, private sectors earned revenue from marketing values by selling gas. This has enabled more private sectors to have potential, financial readiness and the interest to invest in NGV service station businesses due to the increased revenue of selling NGV from the former 2 THB/kg to 3.43 THB/kg from the new pricing structure.

Meanwhile, the rising oil fuel price has driven industries to seek the lowest cost for energy. This has positively affected the Industrial Compressed Natural Gas (iCNG) business group to significantly grow. As the Company positions itself as leader in NGV innovation, we have advantages compared to our competitors, clearly proven when SCN signed the 489 NGV buses selling contract at the end of the previous year.

For 2018, we visualize this as a great opportunity for the Company, as the operator of complete natural gas recurring businesses to penetrate the market and expand our business in order to strengthen outcomes. From careful operation plans along to the Board's expert experience in the business and industry, the organization will be propelled forwards toward success. Still, SCN aims to seek new business opportunities associated to the energy industry and projects which our professionalism and expertise can be exercised to fortify our business and sustainably grow.



DR. THANONG BIDAYA
Chairman





SCAN INTER PUBLIC COMPANY LIMITED

MESSAGE FROM THE PRESIDENT

For Corporate Society Responsibilities (CSR), the Company has carried out several projects e.g. providing scholarships to children and juveniles, support knowledge associated with energy to students from many universities who visited the Sainoi plant and the Samkok Private Mother Station (PMS). SCN has also sponsored the Katanyu Foundation to continuously set up the Samkok Rescue Radio Center by allocating an area within the Samkok, Patumthani PMS along with an emergency rescue truck, related equipment in rescuing lives and medical equipment for the Ruamkatanyu staff to help people within Samkok,

Patumthani and nearby areas. This allocation helps save numerous lives from accidents in the proximity. From accident statistics within the responsible area of Samkok Rescue Radio Center by Ruamkatanyu Foundation, in 2017 the staff have helped people involved in accidents for 3,094 times, helping 2,890 injured people and 93 death casualties.

All efforts mentioned are Scan Inter (Public) Company Limited's devotion and commitment beneath Good Corporate Governance, environment-friendly business running, considering stakeholders along to sharing responsibilities in strengthening the community. These efforts will drive the organization forwards and create satisfying results to Company shareholders.

From the Scan Inter (Public) Company Limited's vision to be Asia-Pacific's leader in energy technology and innovation, we have endlessly devoted time and effort in researching and developing innovative technology related to natural gas as well as applying the results in order to create added value and potential greater than our competitors in the industry. In 2017, the commitment and devotion has lead SCN's CNG Type IV Composite Cylinder beneath the name N4 project to receive 2nd place in economy from the National Innovation Agency (NIA), Ministry of Science and Technology. The cylinder is unique because of its lightweight yet highly durable properties that help boost efficacy while saving NGV transportation costs. The reward has greatly encouraged the Company and all personnel to continue creating valuable innovations in the future.

This success guarantees SCN's operation potentials and our readiness to proudly become Asia-Pacific's leader in energy innovation and technology. Still the Company aims to develop new energy innovation created by Thai people to help the country use limited resources at the highest interest and creating highest value to the country's economy.

Mr. Thanchart Kitpipit
President

MESSAGE FROM THE MANAGING DIRECTOR

2017 is the year Scan Inter (Public) Company Limited or “SCN” focused mainly on building sustainability to the business, especially in NGV recurring income businesses to urge good operation growth in the long term. From that goal, SCN has fortified the Industrial Compressed Natural Gas (iCNG) business to significantly grow by over 65%. This achievement comes from SCN’s success in expanding customer base to new industry plants, both along and outside the gas pipeline. This has led the production capacity at Samkok to fully operate at 100%.

At present, 7 NGV service stations are open for business and 6 stations are under construction. Important business advancements include signing 5 NGV gas trading contracts with PTT that depends on the heat value at million THB/ million BTU. These will be completed and revenue will be noticeable in 2018. The average sales volume per day is 400,000 kg. Additionally, SCN has signed a contract with Bangchak (Public) Company Limited to use the “Bangchak” trademark in 3 of SCN’s NGV service stations, which SCN will build the fuel dispenser within the station to expand service to more consumers.

As for the renewable energy business by the end of 2017, SCN has started potentially operating the 5 MW capacity Solar Farm for co-operation at Nakornpathom after starting to distribute electricity into the system since 2017. In this year, the Company also fortified this business group’s strength by investing another solar farm with a capacity of 1.267 MW at Yangtalat, Kalasin. This trade contracts selling electricity to the Provincial Electricity Authority (PEA) at the basic electricity and Adder price of 6.50 THB/unit. This results in SCN selling electricity from solar farms at a total of 6.267 MW. Spontaneously, SCN still focuses on investing in renewable energy projects to create stability. We are confident that the renewable energy business will constantly earn satisfying revenue.

In 2017 SCN also collaborated with allies to be the contractor for supplying and providing maintenance for 489 air-conditioned NGV buses for 10 years with a financial

amount of 4,261 THB from the Bangkok Mass Transit Authority (BMTA). SCN will apply our 30 years of experience and expertise in the complete NGV recurring business to give technical consultations associated with the NGV system in this project. This shall provide Bangkok people with the latest model air-conditioned NGV buses to elevate life quality. From the success in this project, SCN has increased our expertise in the new bus and public transport field, placing the Company in a position ready to take responsibilities in similar projects.

Other than all mentioned projects, SCN also has excellent operation results in original businesses, namely, NGV production and transportation for PTT as well as contracting and selling natural gas related equipment. The success from the CNG Type IV Composite Cylinder beneath the name N4, which SCN received 2nd place in the 2017 innovations for the nation in economy clearly emphasizes on SCN’s position as the leader of natural gas innovation. Many companies and trade partners from overseas had expressed their interest in this innovation, which follows SCN’s vision to become leader in energy innovation in the Asia-Pacific region. This shall continue service in new energy fields efficiently and sustainably.



Dr. Littee Kitpipit
Managing Director



Board of Directors

Scan Inter Public Company Limited



1



2



3



4



5



6

1

DR. THANONG BIDAYA

Chairman
Independent Director

2

MR. CHAMNARN WANGTAL

Independent Director
Member of the Audit Committee
Chairman of the Risk Management Committee
Chairman of the Nomination and Remuneration Committee

3

MRS. KANNIKA NGAMSOPEE

Independent Director
Chairman of the Audit Committee

4

MR. PEERAPONG ACHARIYACHEEVIN

Independent Director
Member of the Audit Committee
Member of the Nomination and Remuneration Committee

5

MR. VICHIEU USSANACHOTI

Independent Director
Member of the Audit Committee

6

MR. THANCHART KITPIPIIT

Director
President of the Executive Committee
Member of the Nomination and Remuneration Committee



7



8



9



10



11

7

DR. LITTEE KITPIPIT

Director
Executive Director
Risk Management Director
Managing Director
Director of Automotive businesses

8

MR. CHOKDEE WONGSKEO

Director
Executive Director
Director of Engineering and Operations

9

MR. SOMCHAI LEECHAWENGWONGS

Director
Executive Director
Director of Business Strategic Development

10

MS. NARISSARA KITPIPIT

Director
Executive Director
Risk Management Director
Director of Strategy Planning

11

MRS. PIMWANITAR JARATPREEDAR

Director
Executive Director
Corporate Secretary
Director of Finance and Accounting



Dr. Thanong Bidaya
Chairman
and Independent Director
70 years old

Education

- Doctoral Degree (Business Administration), Northwestern University, USA
- Master's Degree (Economics), Northwestern University, USA
- Bachelor's Degree (Economics), Yokohama National University, Japan

Training Program (s)

- Director Accreditation Program (DAP) Thai Institute of Directors (IOD) Class of 25/2004

Work Experience

2005 – 2006	Minister of Finance
2005	Minister of Commerce
2001 – 2005	President Office of the National Economics and Social Development

Director/Executive positions in listed Companies

2012 – Present	Chairman and Independent Director Scan Inter (Public) Company Limited
2012 – Present	Chairman and Independent Director CK Power (Public) Company Limited
2009 – Present	Chairman and Independent Director TTW (Public) Company Limited

Director/Executive positions in businesses other than listed Companies

2010 – Present	Chairman Xayaburi Power Company Limited
----------------	--

Company shareholding

on the closing date of 9 March 2018
400,000 shares, or 0.03%

Education

- Master's Degree in Accounting, Thammasat University
- Master of Management, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor's Degree in Accounting (2nd Honors), Thammasat University
- Bachelor's Degree in Law, Thammasat University

Training History/Certifications

- Director Certification Program (DCP) Class 21 of 2002, Thai Institute of Directors
- CMA Batch 3, Capital Market Academy
- Class of 2009, Thailand National Defense College
- Certified Public Accountant No. 3156
- MPPM, (Police Education Bureau Class of 2007)- PEB.1
- Advanced Strategic Management, IMD. Switzerland (2012)
- International Trade Law Certificate (Batch 1), The Thai Bar Under the Royal Patronage

Work Experience

Director/Executive positions in listed Companies

2016 – Present	Independent Director and Chairman of the Audit Committee Scan Inter (Public) Company Limited
2016 – Present	Independent Director and Audit Committee, Thonburi Healthcare Group (Public) Company Limited
2015 – Present	Independent Director and Audit Committee, Global Green Chemicals (Public) Company Limited
2016 – 2017 2015- 2016	Advisor - Internal Control Improvement, First Executive Vice President - Head of Audit Group Siam Commercial Bank Public Company Limited.
2011 – 2015	First Executive Vice President - Chief Audit and Compliance Office Siam Commercial Bank Public Company Limited



Mrs. Kannika Ngamsoppee

Independent Director and Chairman of
the Audit Committee

61 years old

1999 – 2000	Committee, The Cogeneration (Public) Company Limited
1995 – 1997	Assistant Managing Director, Ektanakij Finance (Public) Company Limited

Director/Executive positions in businesses other than listed Companies

2017 – Present	Member of the Commission, Financial Institutions Policy Committee, Bank of Thailand
2017 – Present	Committee, Bamrung Muang Plaza Company Limited (in the Thonburi Healthcare Group Company Limited)
2017 – Present	Subcommittee, Audit and Evaluation Department, Administrative Ministry Group
2017 – Present	Director, Premiere Home Healthcare Company Limited (in the Thonburi Healthcare Group Company Limited)
2017 – Present	Property Management Committee, Vajiravudh College
2016 – Present 2013 – 2017	Audit Committee, Social Securities Office Independent Director and Audit Committee, Sukhumvit Asset Management Company Limited

Apr 17 - Oct 17	Independent Committee, Audit Committee and Good Corporate Governance Committee and Corporate Social Responsibilities Committee, Small Industry Credit Guarantee Corporation (SBCG)	2011 - 2014	Director and Treasurer, Federation of Accounting Professions under Royal Patronage
		2002 - 2012	Independent Director and Audit Committee, Finansia Public Company Limited.
2013 - 2015	Director, Chairman of Risk Management Committee, National Credit Bureau Company Limited	Company shareholding on the closing date of 9 March 2018	
2009 - 2015	Committee member, Veena Siam Bank	-None-	

Education

- Master's Degree (Finance and Banking)
Marshall University, USA
- Bachelor's Degree (Biology) Saint Vincent College,
USA

Training Program (s)

- Advanced Market Risk Management, FT New York
Institute of Finance
- Targeted Selection Interviewer Program, Development
Dimensions International
- Director Accreditation Program (DAP) Thai Institute
of Directors (IOD) Class of 114/2015

Work Experience

Director/Executive positions in listed Companies

2014 – Present	Independent Director, Member of the Audit Committee, Chairman of the Risk Management Committee and Chairman of the Nomination and Remuneration Committee, Scan Inter (Public) Company Limited
2017 – Present	Chairman of the Audit Committee and Independent Director, Chuo Senko (Thailand) (Public) Company Limited
2009 – 2010	Director Millea Life Insurance (Public) Company Limited
2000 – 2010	Deputy Managing Director Bank Thai (Public) Company Limited

Director/Executive positions in businesses other than listed Companies

2008 – 2009	Director Bank Thai Assets Management
-------------	---

Company shareholding

on the closing date of 9 March 2018

-None-



Mr. Chamnarn Wangtal

Independent Director, Chairman of the Risk
Management Committee and Chairman of
the Nomination and Remuneration
Committee

66 years old



Mr. Vichien Ussanachoti
Independent Director
and Member of the Audit Committee
63 years old

Director/Executive positions in businesses other than listed Companies

2016 – Present	Committee Prolife Company Limited
2017 – Present	Committee Simat Label Company Limited
2015– 2017	Committee Nido Petroleum Limited

Company shareholding

on the closing date of 9 March 2018

-none-

Education

- Master's Degree of Engineering, Ohio State University, USA
- Bachelor's Degree of Engineering, Chulalongkorn University

Training Program (s)

- Bhumibalang Phandin for Executives Class 3/2014, Chulalongkorn University
- Executive Training Class 17/2013 (cma.17), Capital Market Academy
- Advanced Security Management Program Class 2/2014 (ndcat.asmp.2), The Association National Defense College of Thailand under the Royal Patronage of his Majesty the King
- Advanced Senior Executive Program (ASEP-5) Class of 2013, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Certification Program (DCP) Thai Institute of Directors (IOD) Class 73/2006

Work Experience

Director/Executive positions in listed Companies

2016 – Present	Independent Director Member of the Audit Committee Scan Inter (Public) Company Limited
2015 – 2016	Senior Consultant Bangchak Petroleum (Public) Company Limited
2013 – 2014	Managing Director Bangchak Petroleum (Public) Company Limited
2005 – 2012	Deputy Managing Director Bangchak Petroleum (Public) Company Limited

Education

- Master's Degree (Business Administration),
Burapha University
- Bachelor's Degree (Industrial Engineering),
King Mongkut's University of Technology Thonburi

Training Program (s)

- Senior Executive Program, Sasin Graduate Institute
of Business Administration of Chulalongkorn
University
- Director Certification Program (DCP80)
Thai Institute of Directors (IOD)
- Governmental Administration and Public Law
(Class 6), King Prajadhipok's Institute
- Executive Leadership Program, Nida-Wharton
Aresty Institute of Executive Education, The Wharton
School University of Pennsylvania

Work Experience

Director/Executive positions in listed Companies

2017 – Present	Qualified member of the Fuel Control Board in the Oil Fuel Business, Ministry of Energy
2016 – Present	Senior Consultant, Global Power Synergy (Public) Company Limited and Senior Consultant, PTT LNG Company Limited
2012 – Present	Independent Director Nomination and Remuneration Director Scan Inter (Public) Company Limited
2013 – 2015	Deputy Managing Director of the Petrochemicals and Refinery Group, IRPC Public Company Limited
2012 – 2013	Natural Gas Business Unit Consultant
2011 – 2012	Deputy Managing Director, Natural Gas Business Unit
2009 – 2011	Assistant Managing Director, Natural Gas Fractional Unit
2003 – 2009	Assistant Managing Director, Natural Gas Distribution Pipe Unit PTT (Public) Company Limited

Mr. Peerapong Achariyacheevin

Independent Director,

Member of the Audit Committee,

**Member of the Nomination and
Remuneration Committee**

66 years old

Director/Executive positions in businesses other than listed Companies

2014 – 2015	Director IRPC Clean Power Company Limited
2012 – 2015	Director PTT Natural Gas Distribution Company Limited
2012 – 2015	Director PTT Energy Resources Company Limited
2013 – 2015	Director PTT Energy Solutions Company Limited
2013 – 2015	Director IRPC Clean Power Company Limited

Company shareholding

on the closing date of 9 March 2018

-none-



Mr. Thanchart Kitpipit

Director, President of

Executive Committee and Member
of the Nomination and Remuneration
Committee

62 years old

Education

- Bachelor's Degree (Mechanical Engineering), Prince of Songkla University

Training Program (s)

- Director Accreditation Program (DAP) Thai Institute of Directors (IOD) SET/2012
- Director Certification Program (DCP) Thai Institute of Directors (IOD) Class 171/2013

Work Experience

Director/Executive positions in listed Companies

1988 – Present Director, President of Executive Directors, Nomination and Remuneration Director, Scan Inter (Public) Company Limited

Director/Executive positions in businesses other than listed Companies

2016 – Present	Director Namphong NGV 2558 Company Limited
2016 – Present	Director Aimmie NGV Company Limited
2016 – Present	Director NT Energy Gas Company Limited
2016 – Present	Director Kaocharoen Logistics Company Limited
2015 – Present	Director Kaokong Petroleum Company Limited
2015 – Present	Director Warapapha Company Limited
2015 – Present	Director B.P.A Intertrade Company Limited
2010 – Present	Director Contorno Company Limited
1991 – Present	Director Siamvasco Company Limited

Company shareholding

on the closing date of 9 March 2018

Totaling 716,720,000 shares, or 59.73%

Education

- Doctoral Degree (Energy Engineering),
University of Massachusetts, Lowell USA
- Master's Degree (Energy Engineering),
Asia Technology Institute Bachelor's Degree
(Mechanical Engineering), Sirindhorn International
Institute of Technology, Thammasart University

Training Program (s)

- Director Accreditation Program (DAP) Thai Institute
of Directors (IOD) Class SET/2012
- Director Certification Program (DCP) Thai Institute
of Directors (IOD) Class 171/2013

Work Experience

Director/Executive positions in listed Companies

2016–Present	Director
	Executive Director
	Risk Management Director
	Managing Director
	Director of Automotive businesses Scan Inter (Public) Company Limited
2005 – 2016	Director
	Executive Director
	Risk Management Director
	Management and Marketing Director
	Scan Inter (Public) Company Limited

Director/Executive positions in businesses other than listed Companies

2017 – Present	Director	2015 – Present	Director and Managing Director Kaokong Petroleum Company Limited
	V.O. Net Biodiesel Asia Company Limited	2010 – Present	Director Contorno Company Limited
2016 – Present	Director	2015 – Present	Director Warapapha Company Limited
	Namphong NGV 2558 Company Limited	2010 – Present	Director Siamvasco Company Limited
2016 – Present	Director		
	B.P.A Intertrade Company Limited		
2016 – Present	Director		
	Aimmie NGV Company Limited		
2016 – Present	Director		
	NT Energy Gas Company Limited		
2016 – Present	Director and Managing Director		
	Kaocharoen Logistics Company Limited		

Dr. Littee Kitpipit

Director, Executive Director,
Member of the Risk Management Committee,
Managing Director and
Director of Automotive businesses
35 years old

Company shareholding

on the closing date of 9 March 2018

Total of 10,000,000 shares, or 0.83%



Mr. Chokdee Wongskeo

Director

Executive Director

Director of Engineering and Operations

61 years old

Education

- Master's Degree (Industrial Engineering),
Chulalongkorn University
- Bachelor's Degree (Mechanical Engineering),
King Mongkut's University of Technology North
Bangkok

Training Program (s)

- Director Accreditation Program (DAP) Thai Institute
of Directors (IOD) Class SET/2012

Work Experience

Director/Executive positions in listed Companies

2005 – Present Director
Executive Director
Director of Engineering and Operations
Scan Inter (Public) Company Limited

Company shareholding

on the closing date of 9 March 2018
Total of 10,000,000 shares, or 0.83%

Education

- Major in Production Operation Management (MBA)
North Texas State University, USA
- Bachelor's Degree in Science (Chemical Engineering),
Chulalongkorn University

Training Program (s)

- Director Accreditation Program (DAP) Thai Institute
of Directors (IOD) Class 104/2013
- Financial Statements for Directors (FSD) Thai Institute
of Directors (IOD) Class 21/2013

Work Experience

Director/Executive positions in listed Companies

2016–Present	Director
	Executive Director
	Director of Business Strategic Development
2001 –2016	Director
	Executive Director
	Business Strategic Development Director
	Scan Inter (Public) Company Limited

Director/Executive positions in businesses other than listed Companies

2017 - Present	Director
	NT Energy Gas Company Limited
2017 - Present	Director
	Warapapha Company Limited
2017 - Present	Director
	B.P.A Intertrade Company Limited
2017 – Present	Director
	Kaokong Petroleum Company Limited
2017 - Present	Director
	Aimmie NGV Company Limited
2017 - Present	Director
	Namphong NGV 2558 Company Limited

Company shareholding

on the closing date of 9 March 2018

Total of 10,000,000 shares, or 0.83%



Mr. Somchai Leechawengwongs

Director

Executive Director

Director of Business Strategic Development

61 years old



Ms. Narissara Kitpipit

Director, Executive Director

Member of the Risk Management Committee

Director of the Strategy and Planning Office

31 years old

Education

- Master's Degree (Finance Engineering & Risk Management), Imperial College Business School, United Kingdom
- Master's Degree (Industrial Engineering), University of Southern California, USA
- Bachelor's Degree (Industrial Engineering) Sirindhorn International Institute of Technology, Thammasart University

Training Program (s)

- Director Accreditation Program (DAP) Thai Institute of Directors (IOD) Class SET/2012
- Director Certification Program (DCP) Thai Institute of Directors (IOD) Class 171/2013
- Company Secretary Program (CSP) Thai Institute of Directors (IOD) Class 49/2013
- Financial Statements for Directors (FSD), Thai Institute of Directors (IOD) Class 32/2017

Work Experience

Director/Executive positions in listed Companies

2016– Present	Director Executive Director Risk Management Director Director of the Strategy and Planning Scan Inter (Public) Company Limited
2007 –2016	Director Executive Director Risk Management Director Director of the Company Secretarial Office Scan Inter (Public) Company Limited

Director/Executive positions in businesses other than listed Companies

2017 – Present	Director V.O. Net Biodiesel Asia Company Limited
2016 – Present	Director and managing Director Namphong NGV 2558 Company Limited

2016 – Present	Director Aimmie NGV Company Limited
2016 – Present	Director and Managing Director NT Energy Gas Company Limited
2016 – Present	Director Kaocharoen Logistics Company Limited
2015 – Present	Director B.P.A Intertrade Company Limited
2015 – Present	Director Kaokong Petroleum Company Limited
2015 – Present	Director and Managing Director Warapapha Company Limited
2010 – Present	Director and Managing Director Contorno Company Limited
2010 – Present	Director and Managing Director Siamvasco Company Limited

Company shareholding

on the closing date of 9 March 2018

Total of 10,000,000 shares, or 0.83%

Education

- Master's Degree (Information Technology Management), King Mongkut's Institute of Technology Ladkrabang
- Certificate in Taxing, University of the Thai Chamber of Commerce
- Bachelor's Degree (Accounting), Chiang Mai University

Training Program (s)

- Company Secretary Program (CSP) Thai Institute of Directors (IOD) Class 64/2015

Work Experience

Director/Executive positions in listed Companies

2017-Present	Director Executive Director
2014 – Present	Corporate Secretary and Director of Finance and Accounting Scan Inter (Public) Company Limited
2013- 2014	Director of Finance and Accounting M Pictures Entertainment (Public) Company Limited

Director/Executive positions in businesses other than listed Companies

2017 – Present	Director V.O. Net Biodiesel Asia Company Limited
2011 – 2012	Assistant General Manager and Director of Finance and Accounting Leejarat Company Limited (Chawlada Hotel)
2007 – 2010	Director of Finance and Accounting SAS Software (Thailand) Company Limited

Company shareholding

on the closing date of 9 March 2018

-none-



Mrs. Pimwanitar Jaratpreedar

Director , Executive Director

Corporate Secretary

Director of Finance and Accounting

54 years old

Corporate Ethics

Scan Inter (Public) Company Limited intends to run businesses ethically, morally, honestly and with responsibility towards all stakeholders. The Company therefore has Corporate Ethics to guide good business running for committee members, executives and employees to follow. The ethics emphasize upon corporate governance and how to act towards all stakeholders so that operations lead to the objectives, vision and mission, reflect the value and corporate culture which are classified into 2 groups as follows,

Section 1 : Ethics of committee members, executives and employees

Section 2 : Business ethics

Section 1 : Ethics of committee members, executives and employees

1. Self-conduct

- 1.1 Behave according to law related to business running with responsibility, carefulness, diligence and enthusiasm in developing work to be efficient at all times.
- 1.2 Provide a code of conduct and self-discipline. Does not seek any positions, favors or any other benefits from commanders or other persons by dishonest means.
- 1.3 Avoid any behavior that may discredit or put ill reputation to oneself and the Company's name.
- 1.4 Does not seek any dishonest benefits both directly and indirectly.
- 1.5 Does not do any other occupations or self-beneficial businesses that will affect work in the organization's working hours.

2. Conduct towards colleagues

- 2.1 Support teamwork and unity by cooperating and helping each other for the Company's advancement.
- 2.2 Commandants behave in a respectable manner and to set a good example for minors to follow.
- 2.3 Respect commanders and treat colleagues politely, kindly and respect other people's dignity at all times.
- 2.4 Respect others and their work without claiming other people's work as our own.
- 2.5 Cooperate together equally, fairly without any means of discrimination whether in teams, class or institution.

3. Conduct towards the Company

- 3.1 Strictly fulfill duties following laws, orders and guidelines of the Company. Hold responsibility in searching for methods or suggestions regarding laws and regulations that change or have been edited or improved at all times in order to perform their roles and responsibilities flawlessly.
- 3.2 Keep corporate's classified information confidential. Be aware and careful that no confidential documents or news of the corporate are passed onto unrelated persons which may result in harming the organization.
- 3.3 Keep good image and dignity to be accepted by the society e.g. by governmental or other organizations. Never commit any misdeeds that may put ill reputation or discredit the Company's image.

- 3.4 Avoid giving and/or receiving presents and/or give and/or receive any receptions from trade partners or any person(s) related to the Company's business except for honest events that will benefit the Company's business, festivals or according to cultures at an appropriate value/ price.
- 3.5 Avoid all actions or hiding of actions that may intervene or conflict with the Company's interests including corrupting the Company or all illegal actions.
- 3.6 Never ignore any signs or hints of actions that may be corruption. If suspicious events are raised, all must inform commanders or responsible people by channels set in the measures of notifying any misdeeds as predetermined in the Company's regulations.
- 3.7 Have a shared sense of responsibility in using the Company's resources to its highest value as well as help reducing any of the Company's unnecessary expenses.

Section 2 : Business Ethics

1. Ethics towards stakeholders

1.1 Conducts towards shareholders

- 1.1.1 Fulfill duties in an honest manner; make all decisions fairly and sincerely towards shareholders and for the benefits of all related stakeholders.
- 1.1.2 Aim to grow with potential or ability to ensure that all shareholders will benefit from the efficiency and good operational results of the company.
- 1.1.3 Respect the shareholder's rights in receiving necessary information to assess the Company in a fair method and reveal the financial status as the Company has predestined.

- 1.1.4 Put an emphasis on keeping the client or customer's confidential information. Never using their confidential information for personal/related persons' advantages.

1.2 Conducts towards clients and customers

- 1.2.1 Aim to create satisfying and creditable consumer experience by distributing good quality service and goods that follow the safety standards and technology while heightening the standards simultaneously and continuously.
- 1.2.2 Reveal complete and correct information about the goods and services in an up-to-date manner without distorting the truth and maintaining a good and sufficient relationship.
- 1.2.3 Never discredit the reputation of trade competitors in an untruthful way.
- 1.2.4 Strictly keep all confidential information of clients and customers without using their confidential information for personal/related persons' advantages.
- 1.2.5 Never give – receive any presents, receptions or any other benefits from the customer to gain a business or for the ignorance towards responsibilities other than doing so to maintain good business relations with customers or that is suitable for festive occasions which must not be too frequently given.

1.3 Conduct towards employees

- 1.3.1 Never discriminate employees because of the similarities or differences in race, religion, gender, age, education or status. Respect human rights and defend personal information.
- 1.3.2 Treat employees with kindness and equality. Take good care and emphasis on the importance of developing, knowledge and potential exchanging, educating and granting employees with opportunities evenly and fairly.

1.3.3 Respect the staff's personal information.

Never disclose, reveal or transfer without acknowledgement from the person e.g. personal status, personal profile, work experience, financial information, contact details, health profile or any other personal information and so on.

1.3.4 Give opportunities and emphasizing on the importance of developing skills, knowledge and ability of employees as an indicator in considering for position promoting and alternating. This step should be considered fairly, equally and explainable.

1.3.5 Support employees' participation in determining work paths and problem solving within the organization or Company.

1.3.6 Equally and fairly listen to opinions and suggestions of employees.

1.3.7 Provides clear steps in considering and solving problems when employees ask to be treated fairly by setting up clear steps and mechanisms.

1.3.8 Support employees to understand about ethics in roles and duties to ensure that all behavior is ethical.

1.4 Conduct towards trade partners

1.4.1 Strictly, honestly and equally follow all contracts, agreements or circumstances made with trade partners.

1.4.2 Emphasize on the importance of keeping all confidential information with trade partners or using their confidential information for personal/related persons' advantages, except with the consent of the trade partners.

1.4.3 Make fair treaties or contracts without taking advantages of trade partners. Always consider the Company's reputation and image.

1.5 Conduct towards creditors

1.5.1 Respect contracts, agreements or circumstances made with creditors strictly, honestly and equally. Always reveal financial information in a correct, complete and frequent manner.

1.5.2 Disclose financial information correctly, completely and regularly.

1.5.3 Manage all operations to ensure credibility from creditors and the ability to pay all liabilities.

1.6 Conduct towards competitors

1.6.1 Ethically run businesses.

1.6.2 Treat trade competitors equally and fairly so that both sides receive fair benefits.

1.6.3 Never discredit the reputation of trade competitors in an untruthful way without truthful facts.

1.6.4 Never agree or deal with trade competitors or any person(s) that diminish or limit trade competition.

1.6.5 Always consider fairness and equality in business running and mutual benefits with trade partners.

1.7 Conduct towards the society and community

1.7.1 Build a sense of responsibility towards the society and environment within the Company and with Company employees continuously.

1.7.2 Cooperate and strictly follow laws and related regulations.

1.7.3 Never do actions that may negatively affect natural resources and the environment, following law prohibitions.

1.7.4 Support activities that benefit the society such as in education, sports, supporting local culture, etc. by considering the appropriateness and benefits towards the society and community in a sufficient manner.

1.7.5 Quickly respond towards events that may affect the community and environment in cases that result from the Company's operations by fully supporting or cooperating with government officers or related organizations.

1.7.6 Take opinions and suggestions into account. Set up a complaint system to receive any events that may affect the community, check the causes, improve or alter before reporting the results to the complainer(s) within an appropriate time frame. This is also a good way to increase mutual interests between the Company and the community so both sides can sufficiently co-exist.

2. Respecting human rights

2.1 The Company must strictly respect human rights both on a national and global level. This also includes limitations in labor laws of each country that the business will be run. Working environments must be safe and hygienic as global standards without drugs and treating all employees equally.

2.2 The Company must educate all Company employees about human rights for them to work and not to sponsor any activities and/or businesses that infringe upon human rights.

3. Business running under environmental standards

3.1 Operate the business by always considering environment conserving, standards of safety management, and following environmental laws or regulations.

3.2 Support purchasing products or services that consider environmental and energy safety and conservation.

3.3 Support environment saving and conservation by establishing a sense of economically saving the

environment and correctly educating employees about environment conservation.

4. Anti-intellectual property infringement

4.1 Follow the Company's law and regulations regarding the information technology.

4.2 The Company must run business following all laws and regulations in all fields that the Company invests in. Along as in the contract relations regarding intellectual property, patents, copyrights, trade secrets and other ownerships.

4.3 Employees of the Company must respect the rights in other people's intellectual property, never claim other people's works both partially or wholly to use for personal benefits without authorization or paid compensation from the owner of the intellectual property.

4.4 The Company must not infringe intellectual property in a dishonest manner.

4.5 Efficiently use Company assets for the Company's highest interest and to develop working potential. Never use Company assets for personal benefits.

5. Anti-Corruption measures

5.1 Prohibit all Company committee, board and staff from corrupting or participate in all forms, whether directly or indirectly with corruption for personal benefits or for family members, acquaintances or other persons. All must take extreme care when working in operations with a high risk of corruption e.g. purchasing and selling, marketing investment projects, contracting, giving and receiving presents, receptions, donating money or supporting funds, etc.

5.2 Never ignore any actions that may be part of corruption attempts related to the Company. If any suspicious actions are found, it must be reported to

a commander or a person responsible for enquiries. The person must cooperate in all inspection processes.

5.3 Giving – receiving presents, receptions, donations, and support funding must be transparently carried out, follow Company regulations and legal enforcements. All must be confident that the giving-receiving action is not bribery.

5.4 Be careful when doing transactions with person(s), juristic person(s) or any organizations which are suspicious to be related with corruption.

5.5 Support and promote Company staff to actually use anti-corruption measures. Educate staff about the issue since orientation, internal training, and communicate via different organization channels. The objective is so that Company staffs understand the policy, penalty and that corruption will jeopardize the organization.

6. Giving-receiving presents, receptions or any other benefits

6.1 Never give-receive any presents, receptions or any other benefits for or from business dealers with the Company, or coordinates with governmental and private organizations by means of giving or receiving bribery, except for receptions in festive occasions or to maintain good relationship between companies.

6.2 Never give-receive any presents, receptions or any other benefits that may cause influence or affect decision making leading to unfair actions related to responsible work, following regulations, corporate ethics, working rules and the legal law.

6.3 The mentioned action of giving-receiving must follow normal conduct, is not too frequent, suitable for the occasion and auditable. The act of giving and receiving must not intend for any other benefits or objects in return and must be approved by an authorized person every time.

6.4 Clear approvals for giving assets, services or receptions must be done. The requester must compose a memorandum including details of the present, name of the receiver's organization, quantity, price or value of the present or reception along to an enclosure of related documents for consideration such as the invoice, a photograph of the present etc. for the authorized person to consider.

6.5 The proposer must disclose auditable evidence for the present/service/reception's value.

7. Giving support funding and donations for charity

7.1 Giving support funding and donations for charity must not be related to personal/ specific organizational/group benefits or return.

7.2 The Company has clear auditing approval procedures. In requesting for approvals in project sponsorship or for organizations, written documents for approval must be submitted. In the mentioned document, the objective, name of the organization to donate or provide sponsorship, amount of money, method of payment and an approval from an authorized executive must be included.

7.3 In giving support funding and donations for charity, a clear receipt or other similar document(s) must be given that meets Company regulations to ensure that the support funding or donation for charity will not be used as an allegation for corruption.

8. Politic operations

8.1 The Company positions itself as politically neutral, not supporting or interested in any political party, alliance, politically influential person, political candidates whether directly or indirectly in the local, regional or national level.

8.2 The Company respects in personal rights of the staff's political expression or participation,

whether the actions are voting, becoming a member of a political party or participating in political gatherings.

8.3 Never express in any way that may make others misunderstand that the Company is related, has interest in, or supports any political actions.

8.4 Never dress in the Company's uniform or using any symbols or logos that may make others misunderstand that the one is a Company staff participating in political activities.

8.5 Avoid displaying any expressions or opinions related to politics in the workplace or during working hours which may lead to conflict in working.

9. Trading securities and using internal information

9.1 Never disclose any undisclosed internal information (on channels such as the corporate website or the SET website) to the public or for personal benefits for trading personal or another person's securities.

9.2 Never disclose any internal information to unrelated persons, including family members, relatives and acquaintances etc.

9.3 Never provide suggestions or opinions in trading Company securities to external persons.

9.4 Company personnel are permitted from selling, purchasing and transferring Company securities within the 30 day duration prior to the disclosure of quarterly and annual financial statement.

9.5 Company personnel are permitted from selling, purchasing and transferring Company securities prior to internal information disclosure that may affect the Company securities price.

Financial Highlights

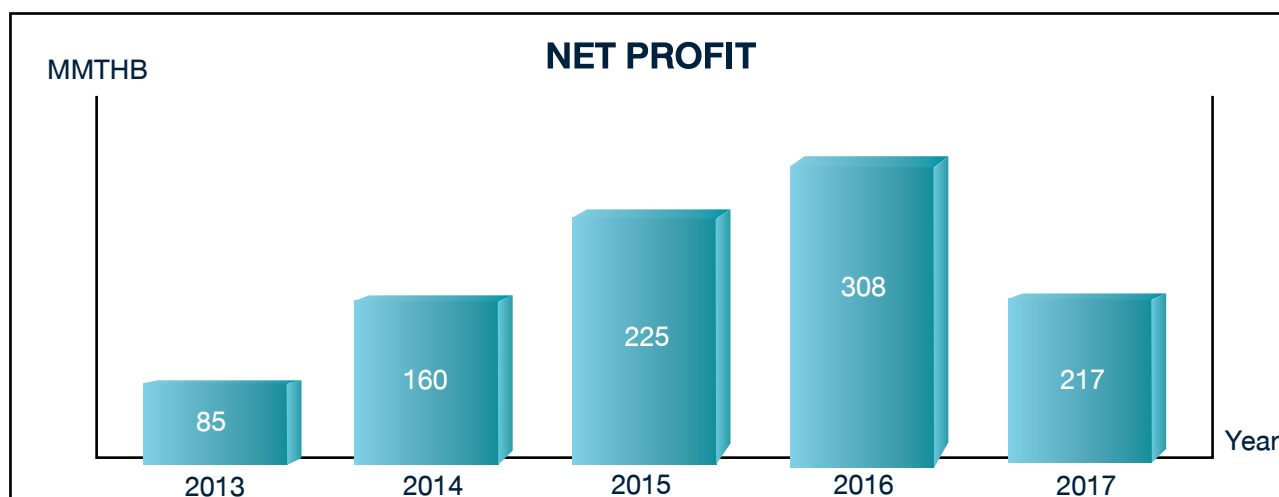
Unit : Million Baht

Issue	Overall financial budget of the year, ended 31 December			
	2017	2016	2015	2014
Current assets	1,365	1,468	1,395	1,208
Non-current assets	3,539	3,077	2,474	1,810
Total asset	4,904	4,545	3,869	3,018
Current liabilities	1,471	1,176	975	1,155
Non-current liabilities	873	862	580	609
Total liabilities	2,344	2,038	1,555	1,764
Total shareholder's equity	2,560	2,507	2,314	1,254
Revenue from sales and services	2,515	2,509	2,095	2,112
Cost of Sales	2,077	1,971	1,672	1,650
Gross profit	438	538	423	462
Other Revenue and Profits from Currency Exchange	43	15	28	35
Selling and administrative expenses	196	178	187	203
Net profit from continuous operations	217	308	225	228
Net profit of operations and selling the solar cell plant business		-	-	173
financial ratio ⁽¹⁾				
Gross profit ratio (%)	17.42	21.44	20.20	21.89
Net profit ratio (%)	8.63	12.20	10.61	10.62
Return on equity ratio (%) (ROE) ⁽²⁾	8.57	12.68	12.64	15.11
Return on assets ratio (%) (ROA) ⁽³⁾	4.59	7.32	6.55	7.50
Debts to equity ratio (times) (D/E)	0.92	0.81	0.67	1.41

Note: (1) financial ratio presented into financial ratio excludes solar cell plant business, which was sold since 26 September 2014

(2) Return on equity ration in 2014 excludes net profit from special projects

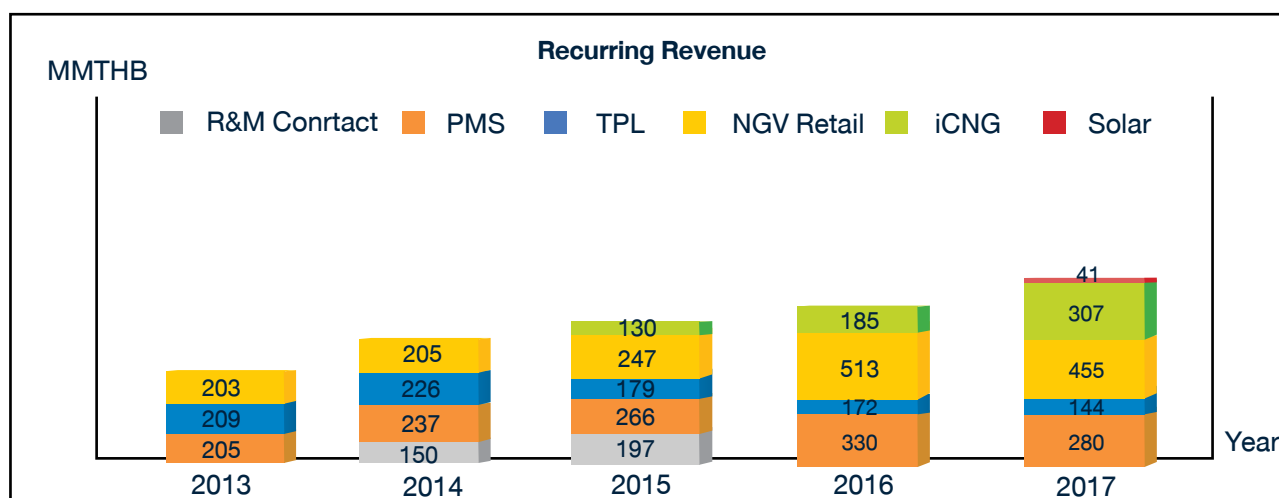
(3) Return on assets ratio are calculated from net profit/average total assets



Net Profit Growth

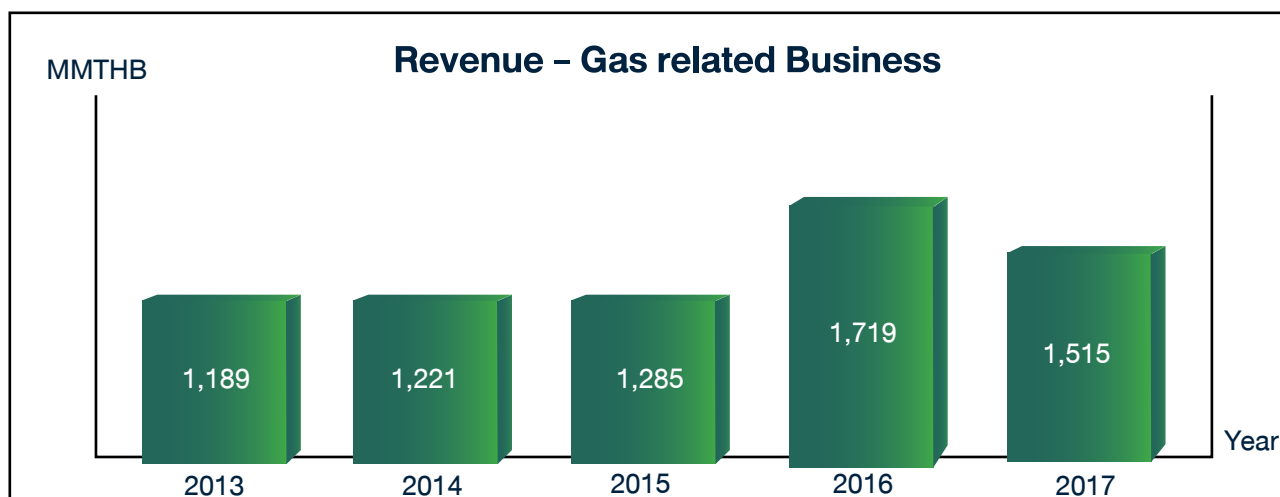
	2013	2014	2015	2016	2017
Net Profit	85	160	225	308	217

Note: The figures are not including discontinued business, Special Project and Solar Plant



Recurring Revenue

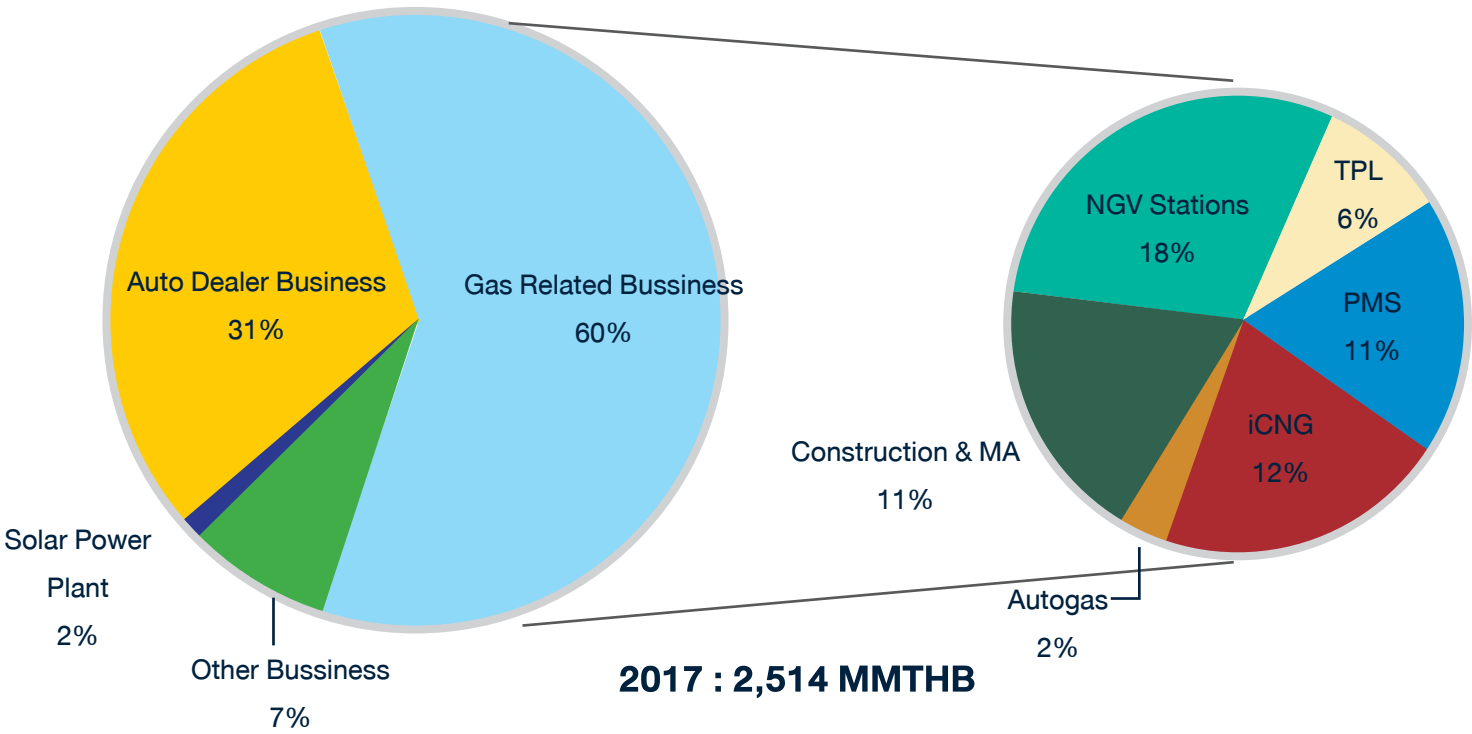
	2013	2014	2015	2016	2017
R&M Contact		150	197		
PMS	205	237	266	330	280
TPL	209	226	179	172	144
NGV Retail	203	205	247	513	455
iCNG			130	185	307
Solar					41
Total Recurring Revenue	671	818	1019	1200	1,227



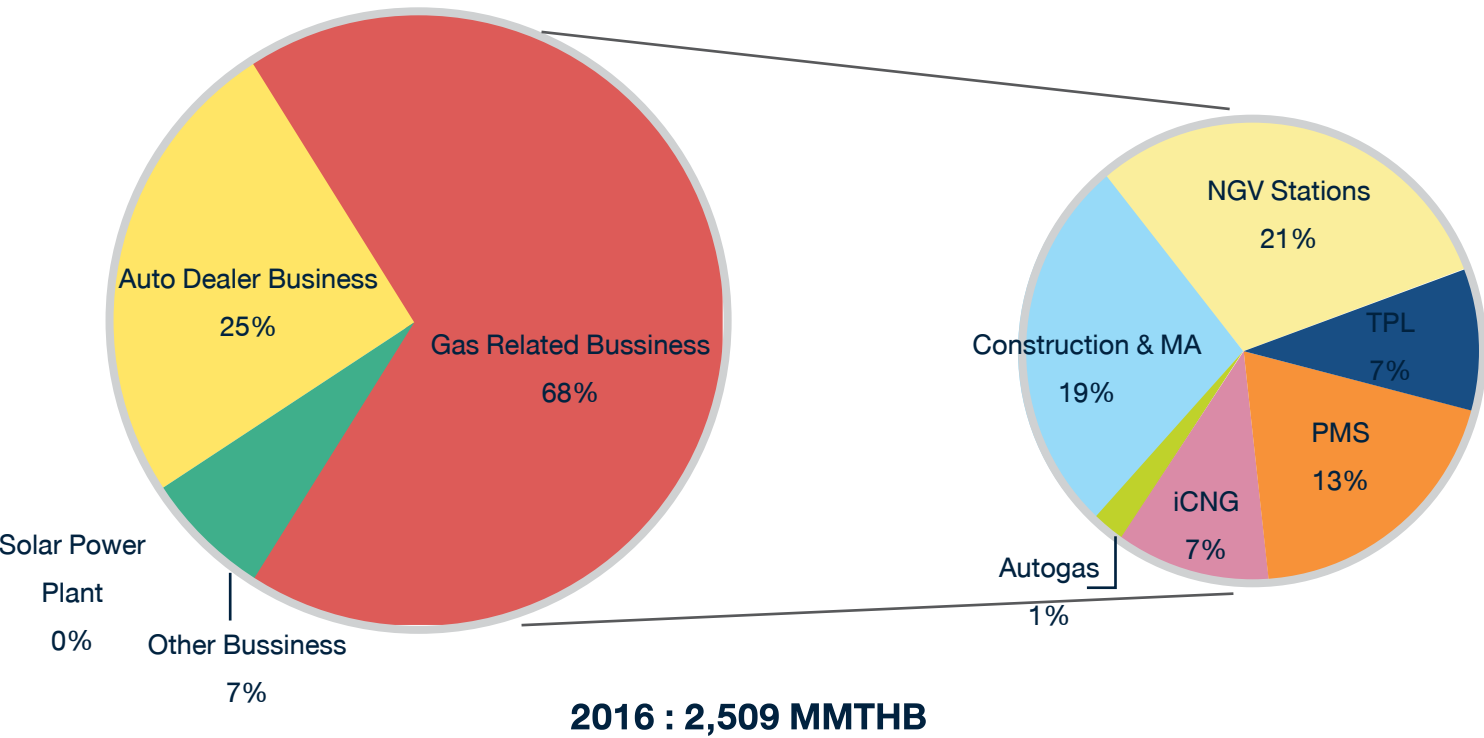
Sale & Service Revenue – Gas – Related Business

	2013	2014	2015	2016	2017
Installation of NGV & LPG	167	64	63	35	53
Construction & Maintenance (Exclude Special project)	405	489	400	484	276
NGV Stations	203	205	247	513	455
TPL	209	226	179	172	144
PMS	205	237	266	330	280
iCNG	0	0	130	185	307
Total Gas related	1,189	1,221	1,285	1,719	1,515

Revenue From Sales and Sevoces Structure



Revenue From Sales and Sevoces Structure



Revenue Structure

	2013	2014	2015	2016	2017
Other Business	271	195	144	171	184
Solar Power Plant				-	41
Auto Dealer Business	693	486	666	619	774
Autogas	167	64	63	35	53
Construction & MA	405	489	400	484	276
NGV Stations	203	205	247	513	455
TPL	209	226	179	172	144
PMS	205	237	266	330	280
iCNG			130	185	307
Revenue form sale and service	2,153	1,902	2,095	2,509	2,514

General Information and Other Important Information

► General Information

Corporate name	“Scan Inter Public Company Limited” or “Scan Inter PCL” and the name for trading on the SET: “SCN”
Business type	Natural gas recurring business, automobile sales business and other businesses
Corporate registered number	0107557000314
Business nature	Energy and public utilities
Industrial group	Resources
Registered capital	1,200 million paid ordinary shares Totaling a paid registered capital of 600 million THB
Par value	0.50 THB/share
Date of new shares offering in the SET	23 February 2015
Foreign shareholding limitations	49%
Free float percentage	36.70% (Information on the share register book closing date of 9 March 2018)
Head Office location	355 Bong Street Rd., Bangpood, Pakkret, Nonthaburi 11120
Telephone no./Facsimile	0-2503-4116-21 / 0-2503-4400
Corporate website	www.scan-inter.com
Auditor	Pricewaterhouse Coopers ABAS Co., Ltd. 179/74-80 Sathorn Tai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel.0-2844-1000 Fax. 0-2286-4400
Securities Registrar	Thailand Securities Depository Co., Ltd. Stock Exchange of Thailand Building 93, fl.14, Ratchadaphisek Rd., Dindaeng, Bangkok 10400 Tel.0-2009-9000 Fax.0-2009-9992

► Other Important Information

On December 31 2017, no information that may significantly affect the investors' decision making was found.

Events after December 31 2017

- On December 6 2017 at the BOD meeting, a conclusion was approved to acquire the V.O. Net Biodiesel Co., Ltd. Solar Farm, the contractor to trade electricity with PEA. Following, on January 12 2018, the BOD meeting approve to acquire 99.99% ordinary shares of V.O. Net Biodiesel Co., Ltd. paid registered capital of 199,997 shares at a total price of 114.40 million THB. On December 31 2017, the Company paid a deposit sum of 15 million THB to invest in the subsidiary.
- On 22 February 2018, SCN's BOD meeting reached a conclusion as follows
 - Approve to pay 2017 dividends at a rate of 0.10 THB per share from the total of 1,200 million shares, or an amount of 120 million THB. The Company BOD shall propose to the 2018 Annual Shareholder's Meeting on April 27 2018 for dividend payment approval.

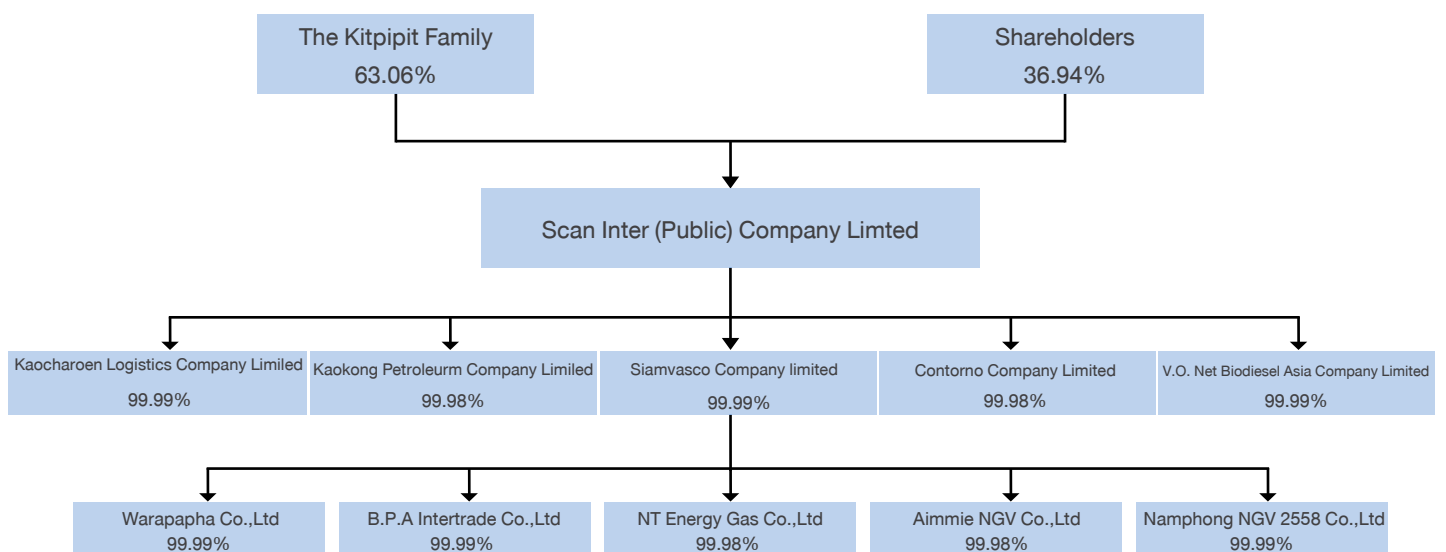
Investors may further study the Company's information from the Annual Information Report (Type 56-1) which is available at www.sec.or.th or the corporate website; www.scan-inter.com



SCN BUSINESSES

Shareholding Structure and Company Groups

The present structure of the company group can be demonstrated in the diagram below.



Business Operations of the Company and Subsidiaries

Company Name	Business nature	Listed Capital (Million Baht)	Shareholding ratio (percentage)
Scan Inter (Public) Company Limited Address: 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 2503 4116-21 Fax : 0 2503 4400	Energy business operator, specializing in fully-integrated service of natural gas which are private mother stations (PMS), NGV third party logistics (TPL), NGV stations, NGV station design and construct, NGV equipment installation and maintenance, gas system installation for vehicles etc., automotive distributor and other businesses.	600.00	-
Siamvasco Company Limited Address: 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 25034729-32 Fax : 0 2503 4733	Holding Company, NGV retail, selling carbon dioxide, lubricants, car tires, car batteries etc. mostly to domestic customers.	200.00	99.99
Contorno Company Limited Address: 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 2503 4734 Fax : 0 2503 4734	Distributor of mirrors, stainless, car tires, car batteries etc. Those products are mostly sold to customers in neighboring countries such as Laos, Cambodia, etc.	10.00	99.98
B.P.A Intertrade Company Limited Address: 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 2503 4729-32 Fax : 0 2503 4733	NGV station located in Chonburi province which is currently under construction. It's expected to start its operation and serve customer services in 2017 Station location: Highway 7, Tambon Bangphra, Amphoe Sriracha, Chonburi Province	50.00	99.99
Kaokong Petroleum Company Limited Address: 544 Moo 6 Banglamoong-Rayong Street, Tambon MakhamKoo, Amphoe Nikkompattana, Rayong 21180 Tel: 0 3894 9650 Fax : 0 3894 9699	NGV station located along the natural gas pipeline route, supplying gas to customers in Rayong province Station Location: 544 Moo 6, Banglamoong-Rayong Street, Tambon MakhamKoo, Amphoe Nikkompattana, Rayong	50.00	99.99
Warapapha Company Limited Address: 1/707 Moo 8, Klonggoom, Buenggoom, Bangkok, 10240 Tel: 0 2509 1799 Fax: 0 2509 1799	NGV station, supplying natural gas to customers in Bangkok area Station Location: Nualchan road, Klonggoom, Buenggoom, Bangkok	7.20	99.99

Company Name	Business nature	Listed Capital (Million Baht)	Shareholding ratio (percentage)
Kaoharoen Logistics Company Limited Address: 544 Moo 6 Banglamoon- Rayong Street, Tambon MakhamKoo, Amphoe Nikkompattana, Rayong 21180 Tel: 0 3894 9650 Fax : 0 3894 9699	Freighting and transferring goods in Laem Chabang deep sea port area and Maptapoot industrial estate including other industrial estates in Rayong province and nearby provinces.	65.00	99.99
NT Energy Gas Company Limited Address: 125, Moo 4, Khok Mai Lai, Muang, Prachinburi 25230	NGV station, supplying natural gas to customers in Bangkok area Station Location : Suwannason road, Khok Mai Lai, Muang, Prachinburi	1.00	99.98
AIMMIE NGV Company Limited Address: 408/2, Moo 8, Muangkao, Kabin Buri, Prachinburi 25240	NGV station located in Prachinburi province which is currently under construction. It's expected to start its operation and serve customer services in 2017 Station Location : Suwannason road, Muangkao, Kabinburi, Prachinburi	1.00	99.98
Namphong NGV 2558 Company Limited Address: 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120	NGV station situated along the natural gas pipeline route in Khonkaen province. The station is currently under construction and is expected to start its operation and serve customer services in 2017 Station Location : Mitrapab Road, Kutnamsai, Namphong Khonkaen	74.87	99.99
V.O. Net Biodiesel Asia Company Address : 223 Moo 15, Huanakham subdistrict, Yangtalat district, Kalasin 46120	At present, the Company is the operator of 1 1.267 MW solar power plant, and signed a contract to trade electricity with the Provincial Electricity Authority (PEA). The plant started generating electricity since 25 June 2014, at a basic electricity price with the Adder price of 6.5 THB per unit. Station Location : Huanakham subdistrict, Yangtalat district, Kalasin	20.00	99.99

Dividend Policy and Payment of the Company and Subsidiaries

Dividend payment policy of the Company

The Company has a policy to pay dividends to the shareholders at a rate of no lesser than 40% of the net profit as stated in the Separate Financial Statements after deducting corporate income tax and reserved funds according to the law.

Subsidiaries of the Company has a policy of paying dividend to the shareholders in a rate of no lesser than 40% of the net profit of the Separate Financial Statements of each subsidiary, after deducting corporate income tax and reserved funds according to the law.

However, the Company and subsidiaries may consider paying dividend at smaller rates from the stated rate above or may cease paying dividend according to the economy state, operational results, financial status, liquidity, investment plans, and the necessity in using circulating funds for business operations, business expansion of the Company or subsidiaries along to other related factors. The decision of the Company Committee is for the highest interest of the Company and shareholders. The dividend payment must be approved by the meeting of shareholders except for the interim dividend payment which the Company Committee holds full authority for approval.

The Company's dividend payment in 2015 2016 and 2017

• SCN :

Net Profit Allocation	2017	2016	2015
Net Profit (Million THB)	192.17	279.40	239.94
Net Profit Margin (Baht/Share)	0.16	0.23	0.21
Dividend Rate per Share (Baht/Share)	0.10	0.14	0.10
Total Dividend Payment (Million THB)	120	168.00	120.00
Dividend Payment Ratio (Separate Financial Statements) (%)	62.5%	60%	50%

On 21 February 2018 at the Board of Directors' Meeting (1/2018), the Board approved the dividend payment from the 2016 SCN operating results to pay the dividend to shareholders at the rate of 0.10 THB per share, or a total dividend of 120 THB. The Board will propose the dividend at the annual general meeting of shareholders 2018 on April 27th, 2018 for approval of dividend payment.

• SCN's Subsidiaries :

Siamvasco Co., Ltd.

2015 : on December 28th, 2015 at the Board s' meeting of Siamvasco Co.,Ltd, The Board approved the payment of interim dividend from the accumulated earnings at the rate of 100 THB per share for 200,000 shares in total amount of 20 million THB.

2016: No dividend payout

2017: No dividend payout

Warapapha Co., Ltd.

2016 : on August 10th, 2016 at the Board s' meeting of Warapapha Co., Ltd, The Board approved the payment of interim dividend from the accumulated earnings at the rate of 90.28 THB per share for 72,000 shares in total amount of 6.5 million THB.

2017: On 20 April 2017, the Warapapha Co., Ltd Shareholder's meeting reached a conclusion to pay dividend for passed operation results at a rate of 69.44 THB per share. The total dividend paid amount for 72,000 shares, is 5 million THB.

On 9 August 2017, the Warapapha Co., Ltd Committee meeting reached a conclusion to pay interim dividend from accumulated profit at a rate of 62.50 THB. The total dividend paid amount for 72,000 shares, is 4.5 million THB.

NT Energy Gas Co., Ltd.

2017 : On 15 June 2017, the NT Energy Gas Co., Ltd. Ordinary Shareholder's meeting reached a conclusion to pay dividend for passed operation results at a rate of 300 THB per share. The total dividend paid amount for 10,000 shares, is 3 million THB.

Overall Image of Business

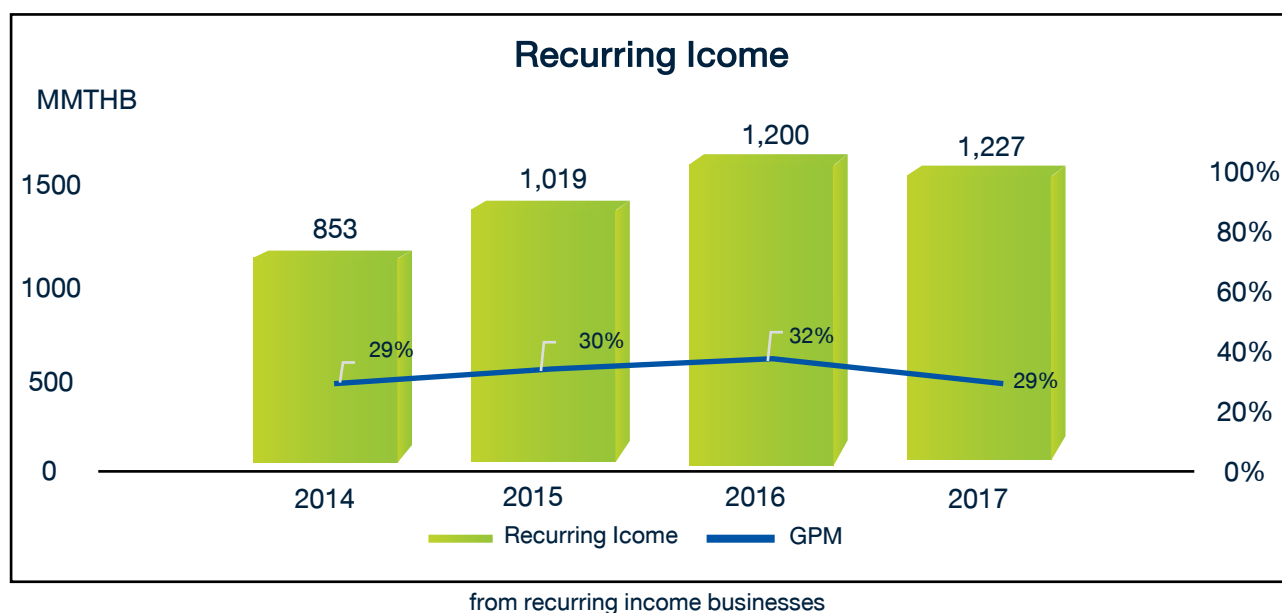
Scan Inter (Public) Company Limited (“SCN”) is an energy business conductor which specializes in natural gas recurring businesses. SCN provides complete natural gas systems including NGV service stations, Industrial Compressed Natural Gas (iCNG), Private Mother Stations (PMS), natural gas quality improvement, NGV logistics, designing, manufacturing, contracting, and maintenance of natural gas equipment, natural gas systems vehicle installations, natural gas distribution from natural sources along to renewable energy business, automobile sales and other businesses.

In the past year of 2017 the company still emphasizes on researching and developing clean sustainable energy by applying technology so that limited energy resources are utilized to its fullest and highest value, truly supporting Thailand's energy stability. The company continuously expanded business recurring natural gas, especially in expanding NGV service stations and selling iCNG to the industrial sector. From efficient business operations recurring natural gas, all actions have greatly contributed to energy sustainability. The NGV/CNG that the Company had manufactured, distributed and sold in Thailand help diminish the amount of carbon dioxide released into the atmosphere equal to approximately 691,000 tons of greenhouse gases per year, or the same amount of reduced

carbon dioxide released by coal power plants and natural gas electricity power plants sizes 216.30 megawatts and 389.42 megawatts accordingly. The calculations are comparable to the amount of carbon dioxide that over 691,000 perennial trees can absorb per year.

Approximately 691,000 tons of greenhouse gases per year of carbon dioxide are lessened once compared to consuming other types of fuel. When divided by business types, the private mother station (PMS), NGV servicestations, and the industrial compressed natural gas (iCNG) business may reduce the release of carbon dioxide from combustion or burning other types of fuel in 2017 of over 465,000 tons per year (70.17%), 203,000 tons per year, (29.37%) and 3,200 tons per year (0.46%) accordingly.

In 2017 SCN focused on building noticeable income from recurring natural gas business. The Company successfully grew as planned as shown in Graph 2.1. The total income in 2017 had increased recurring income, especially from the iCNG industry which significantly grew by 65.5% once compared to 2016. SCN oversees an interesting opportunity to benefit all stakeholders and build stability to the Company. Recurring income will significantly grow once the 5-6 NGV service stations still under construction are completed and opened for business. Graph 2.1 Gained recurring income from businesses and the Gross Profit Margin



In 2017 SCN gained income and gross profit margin from recurring income businesses quite equally. This means that from recurring natural gas business still gain satisfying and regular results, thus the Company will continue carrying out these businesses according to business plans.

The Company's businesses at the present

Natural gas recurring businesses which are the Company's core business, consist of as follows,

1.1 NGV Service Stations

Currently, Scan Inter (Public) Company Limited owns 8 conventional stations and 5 daughter stations totalling in 13 service stations with details as follows,

NGV service station /Company	Brand	Station type	Capacity (kg/day)	Location	Status
1. Scan Inter PCL	Scan Inter	Conventional station	65,000	Pathumthani	Operating
2. Kaokong Petroleum Co., Ltd.	Scan Inter	Conventional station	75,000	Rayong	Operating
3. B.P.A Intertrade Co., Ltd.	Scan Inter	Conventional station	60,000	Chonburi	Under construction
4. B.P.A Intertrade 2 Co., Ltd.	Scan Inter	Conventional station	60,000	Chonburi	Under construction
5. Aimmie NGV Co., Ltd.	Scan Inter	Conventional station	40,000	Prachinburi	Under construction
6. Namphong NGV 2558 Co., Ltd.	PTT	Conventional station	60,000	Khonkaen	Under construction
7. Siamvasco Co.,Ltd. Chainat 1	Scan Inter	Conventional station	40,000	Chainart	Under construction
8. Siamvasco Co.,Ltd. Chainat 1	Scan Inter	Conventional station	40,000	Chainart	Under construction
9. NT Energy Gas Co., Ltd.	PTT	Daughter station	30,000	Prachinburi	Operating
10. Warapapha Co., Ltd.	PTT	Daughter station	30,000	Bangkok	Operating
11. Susco Scan Inter		Daughter station	90,000	Bangkok (Viphavadee)	Operating
12. Susco Scan Inter		Daughter station		Bangkok (Sukkapibal)	Operating
13. Susco Scan Inter		Daughter station		Bangkok (Bangna-Lasal)	Operating
Total			590,000		

Service stations number 3-8 (totaling 6 stations) are still under construction, but is anticipated to be completed and open for business to gain income for the company from 2018 onwards.

In 2018, the company will gain noticeable revenue from 7 NGV service stations fully throughout the year at the overall capacity of 290,000 kilograms per day. Also, 6 service stations are still under construction have total capacity of 300,000 kilograms per day and has the capability of having immediately noticeable revenue once completed.

Still, the company aims to expand business of natural gas service stations following business plans and operational plans in the future by contracting in trades to sell and buy natural gas in order to build new NGV service stations. Efforts to purchase already operating NGV service stations are laid out to respond to the demands of NGV consumption in the future and to effectively contribute to the Company's core business growth.



The Company's NGV service stations

1.2 Industrial compressed natural gas (iCNG)

The industrial compressed natural gas (iCNG) business distributes natural gas directly to industrial plants. By providing service in transporting compressed natural gas by trucks, the customer can consume natural gas straight from the pipeline despite having businesses located outside of the natural gas pipeline. These customers who operate in the industrial sector demand for energy security while waiting for the pipeline to be installed at their locations. Customer groups also include industrial plants who aim to conserve business environments. The first operation was started at Pathumthani since April 2015 onwards. In 2016 and 2017, the industrial compressed natural gas started to gain popularity from larger industrial sectors and operators resulting in increased amounts of customers who operate in the industrial sector.



Pathumthani CNG station



Gas filling point for transportation

1.3 Private Mother Station (PMS) Business

Private Mother Stations (PMS) are located along the pipeline. These stations sell NGV and provide service in compressing gas before distributing it to Daughter Stations outside of the conventional stations pipeline. Main customers are from PTT.

The Company's main PMS is located on Bangbuathong-Bangpa-in Road, Tambon Bangkrabue, Amphoe Samkhok, Pathumthani. The capacity is 643 tons per day and operates every day. 30 filling points are provided for 30 NGV trucks to fill up gas spontaneously, 24 hours a day.

The Company received revenue in compressing natural gas under the gas compressing contract. This is equal to the availability payment (AP) and energy payment (EP). The AP figure means the return from expenses invested in private mother stations (PMS) at a stable (rate/kilogram) throughout the contract. The EP figure, on the other hand, means the operational expenses that have direct variations to the electricity rate based on US dollars currency exchange rate and the consumers' price index in the country. Therefore the EP figure can change every year according to varying mentioned factors.



Natural gas compressing machines



Natural gas filling point for transportation

1.4 Natural Gas Quality Improvement

Because natural gas received from the pipeline has different quality levels, the company is therefore operated a project in improving the natural gas quality by mixing carbon dioxide (CO₂) with natural gas. This is because the heat index of natural gas is higher than the standard set by the Department of Energy Business, Ministry of Energy in receiving and trading natural gas.

At the present natural gas quality improvement at private mother stations (PMS) service is provided to PTT PCL. The Company's own natural gas quality improvement for the company itself is carried out at the PBS in Samkhok, Pathumthani since September 2015 onwards. This project has since significantly played a role in the Company's growth, noticeable from the income of private mother stations (PMS).



Gas quality improvement station



Metering system of the gas quality improvement station

1.5 NGV distribution business (Third Party Logistics (TPL))

The Company provides service in transporting NGV from the private mother station at Samkhok, Pathumthani to daughter stations in different areas according to the agreements between the Company and PTT, under an NGV distribution contract between SCN and PTT.

On 31 December 2016, the Company owned 121 trucks that distribute NGV and has passed the safety standards of PTT, the Department of Land Transportation and the Department of Energy Business.

The company strictly emphasizes on safety in transporting NGV therefore the company has set up a supervisory control and data acquisition (SCADA) which controls, overlooks, and stores data and information using a global positioning system (GPS) in order to follow NGV trucks to know the present position, the distance in transporting, along to the speed of the truck which is limited at 60 km/hour. Other than this, the Company also assigns 2 truck drivers in every journey to assist each other in navigating and to assist in connecting the natural gas pipe to destination service stations. This measure is to manage NGV transportation to ensure effectiveness and highest safety measures to prevent any casualties in 2015 and 2017.



NGV truck



Trailer

1.6 EPC& Maintenance Business

SCN provides service in designing, manufacturing, contracting and the maintenance of NGV service stations by designing the NGV filling system along to manufacturing and supplying equipment for NGV service stations. The equipment required NGV service stations include the compressor, heat exchanger, motor, gas cylinder, gas dispenser etc. The company also provides service in testing natural gas cylinders and NGV service maintenance, fixing equipment maintenance in NGV service stations. All these efforts are to ensure the quality and satisfaction in the continuity throughout operation. At the present, the Company provides service in contracting constructions and installing equipment systems for filling NGV for over 250 stations from the total of 505 service stations in Thailand. The Company also contracts and constructs mother stations for PTT and has been doing so for 12 stations from 17 stations in Thailand.

The Company has advantages in designing, contracting, installing and maintaining NGV service stations in terms of capital since the company is able to supply and manufacture equipment for natural gas independently in a quick manner and only purchasing and ordering equipment and materials that have are necessary such as the bare, the shaft, the heat exchanger, the motor etc. The Company also guarantees parts and equipment in a long term at the same guaranteed time span that the Company receives from trade partners. This is to lessen the risks in case of any expenses that the Company may have to pay if any damages occur.



Natural gas compressor



Gas dispenser

1. Gas installations for vehicles

The Company provides service in selling and installing equipment sets for NGV and LPG along to providing service in maintaining the equipment sets. This may be divided into 2 types as follows,

1.7.1. Gas installations for vehicles

The Company provides high quality and standard gas system installation for vehicles both new and used. The majority of customers mostly are from taxi cooperatives. Minor customer groups are the owners of personal cars but would like to install a gas system in the car to replace the consumption of benzene and diesel. The quality and standards of installation strictly follow regulations of the Department of Land Transportation.

1.7.2 Gas installations for transportation vehicles

The Company provides service in installing gas equipment sets, maintenance and alternating the motor from diesel to natural gas for public transport vehicles, trucks, and trailers. This service station is located at Sainoi District, Nonthaburi. This service station is located at Sainoi District, Nonthaburi. Service may be separated into 4 types; diesel dual fuel (DDF), dedicated engine (DDE), NGV repowering and NGV cylinder installments or additional installments for cars that originally consume NGV.

1.8 Associated Gas Business

The Company signed a contract with Eco Orient Resources (Thailand) Company Limited since August 2016 to receive rights in collecting associated gas which is burnt for utilization. The company has plans to take the associated gas and sell them as NGV or iCNG in nearby locations. The project is still under planning; however, when it is finished the capacity will be 27,000 kilograms per day and is anticipated to be open for service in 2018.

2. Renewable energy

SCN is an investor and constructor in building complete Solar generated electricity plants. The Company has chosen to use high technology from international manufacturers who are professionals in manufacturing equipment used in the solar energy field in order to generate energy in the most effective and efficient way possible. This also answers to the Energy Stability Policy of the country. The Company cooperated with the Ladies Agricultural Cooperative Group of Bangphasi as the project's sponsor and has passed the selection to be to have rights to operate and sell electricity with the capacity of 5 Megawatts on the Bangphasi subdistrict, Banglane district, Nakornpathom province under a project to generate electricity from solar farms that are mounted to the ground for governmental organizations and agricultural cooperatives. The electricity could be commercially sold since 29 December 2016 and the revenue could be noticeable from selling to the provincial electricity Authority since 10 January 2017 onwards. From a research, the Banglane Area has an average of sunlight concentration throughout the year of approximately 18.77 mega joules per square meter per day (the Department of Alternative Energy Development and Conservation, solar radiation data for Thailand from satellite data from 1993-1998). The project operation may run for 25 years and the electricity generated was no lesser than 18,000 units per day. The efficiency of this solar plant that could generate electricity was no lesser than 76%. The Company has insurance coverage to provide protection against damage towards the project.

On 15 January 2018, the Company acquired VO Net Biodiesel Asia Co., Ltd. ("VON"). VON owns 1 1.26 MW solar farm at Huanakham, Yangtalat, Kalasin and is the generator and seller of electricity to the Provincial Electricity Authority (PEA) since 25 June 2014 at the basic electricity price with the adder of 6.5 THB/unit, resulting SCN with 2 solar farms with a total capacity of 6MW in 2018.



Solar farm

3. The Company officially started servicing in automobile sales and centers for fixing standard Mitsubishi engines in 2012 under a contract between the Company and Mitsubishi Motors (Thailand) Co., Ltd. by opening a showroom and Mitsubishi Scan Inter service center 1 at Tiwanon Road, Amphoe Pakkret, Nonthaburi and Mitsubishi Scan Inter service center 2 at Somsang Road, Tambon Lakhok, Amphoe Muang, Pathumthani. Other than being an automobile dealer, the Company also signed a contract in fixing Mitsubishi car body and color with Mitsubishi Motors (Thailand) Co., Ltd. (“Mitsubishi”) SCN has 2 car body and color service centers located at Amphoe Sainoi, Nonthaburi and at Somsang Road, Tambon Bangpoo, Amphoe Muang, Pathumthani.



Mitsubishi showroom and service center, Pakkret, Nonthaburi

4. Fuel Service Station Businesses

The Company signed a contract with Bangchak Corporation (Public) Company Limited to operate a product, fuel and retail business beneath the Bangchak trademark to provide service to 3 of SCN's original NGV service station customers; 1. Kaokong Petroleum Co., Ltd. service station at Rayong, 2. Nampong service station at Khonkaen and 3. Aimmy service station at Prachinburi to serve both NGV and fuel consumers. The Kaokong service station already started operating since 14 February 2018. The other 2 stations will start operating within 2018 as well. SCN anticipated increased income at 500 million THB/year. Plus, the fuel service station businesses will boost NGV sales as customers can fill fuel and NGV at the same location.

5. Trade and Maintenance Project for Air-conditioned NGV Buses

The Trade and Maintenance Project for Air-conditioned NGV Buses is a collaboration between the Company and Cho-Thavee Public Co., Ltd. (“CHO”) beneath the cooperation name SCN-CHO. Both companies share a 50% responsibility to supply 489 air-conditioned NGV buses along with maintenance for 10 years for the Bangkok Mass Transit Authority (BMTA). The total project value is 4,261 million THB (VAT included). The value is divided into; value of 489 buses or 1,891 million THB (VAT included). The SCN-CHO cooperation must deliver all 489 buses within June 2018. As for maintenance for all 489 buses is 2,370 million THB (VAT included) throughout 10 years. Income will be noticeable from 2018 onwards.

6. Other businesses

6.1 Carbon dioxide sales business

Siam Vasco Co., Ltd. acts as a medium for selling carbon dioxide with a customer target of private companies e.g. NGV service station providers that need to use carbon dioxide in altering the heat index of natural gas from different sources because natural gas from different sources in the East give different heat index from the sources in the West.

6.2 Area Rental Businesses within the Service Station

SCN has a policy to let other private organizations rent areas within service stations to open shops e.g. convenient stores both in NGV and fuel stations that are under construction

6.3 Glass and battery and other materials sales business

Siam Vasco Co., Ltd. and Controno Co., Ltd. sells glass for constructions, car batteries and other materials such as stainless pipes, car tires and stickers for example, by acting as a medium. Siam Vasco Co., Ltd. mainly sells their products within the country while Controno Co., Ltd. sells their products to neighboring countries such as Laos and Cambodia.

6.4 Domestic transportation business

Kaochareon Logistics Company Limited operates by transporting and sending goods in the Laemchabang deep water pier and the Mabtapood industrial estate along to other industrial estates in Rayong and nearby provinces. Kaochareon Logistics Company Limited is also the distributor for improving natural gas quality supplying for both the service station in Samkhok, Pathumthani and Nikhompattana, Rayong which are the Company's but operates NGV service stations under the name of Kaokong Petroleum Company Limited to improve the natural quality of gas following the standards set by the Department of Energy Business, Ministry of Energy. This may be regarded as excellent business support.

Important milestones during 2016-2017

► January

SCN started gaining noticeable income from the solar farm beneath the floor-mounted solar farm project for governmental organizations and agricultural cooperation by selling electricity to PEA since 10 January 2017 onwards. This project granted Corporate Income Tax exemptions from net profit due to being a supported business for 8 years.

► March

- Siamvasco Co., Ltd. (SVC) and B.P.A Intertrade Co., Ltd. (BPA outbound), subsidiaries which the Company holds 99.99% of registered shares signed a NGV along the pipeline trading contract with PTT PCL. This trading contract follows new price structuring which depends on the heat index and calculated as THB/ million BTU. Both stations are located by Highway 32 (inbound) km.145, Thachanuan, Manorom, Chainart and by Highway 7 (Outbound), Bangphra, Sriracha, Chonburi. SVC will invest 100 million THB for the land and NGV service station construction while BPA outbound will invest 125 million THB for the land and NGV service station construction, totaling million THB.

- B.P.A Intertrade Co., Ltd. (inbound) and Aimmie NGV Co., Ltd., SVC's subsidiaries signed a NGV trading contract with PTT PCL. This action is to | update the original contract (which trades NGV by THB/kg) to follow the new price structuring which depends on the heat index and calculated as THB/ million BTU.

► May

SCN received supporting funds from the Ministry of Energy to respond to Thailand's energy support and potential development policy for the Charging station project by the Electrical Vehicle Association of Thailand (EVAT), beneath support funding for energy promotion and conservation, Energy Policy and Planning Office (EPPO) round 1. This is an important step in the continuous development of energy businesses. SCN is the first Company to install a vehicle charging station in the NGV service station at Samkhok, Pathumthani.

► July

SCN opened the market and presented the Company's business and products to be globally recognized in the 11th Natural Gas Vehicles & Infrastructure Indonesia Forum and Exhibition on 14-15 March 2017 at Jakarta, Indonesia and at the Gas Indonesia Summit & Exhibition 2017 on 12-14 July 2017 at Jakarta, Indonesia. The objective is to expand business opportunities to the ASEAN country group which had just started to develop and increase NGV consumption potential. The presentation attracted many people's attention.

► September

Siamvasco Co., Ltd. (SVC), a subsidiary which the Company holds 99.99% of registered shares signed a NGV along the pipeline trading contract with PTT PCL. This trading contract follows new price structuring which depends on the heat index and calculated as THB/ million BTU. The station is located by Highway 32 (outbound) km.130, Taluk, Sappaya, Chainart. SVC will invest 77.3 million THB for the land and NGV service station construction.

► October

SCN's CNG Type IV Composite Cylinder beneath the name N4 project to received 2nd place in economy from i-INNOVATION THAILAND WEEK 2017 by the National Innovation Agency (NIA), Ministry of Science and Technology on 9 October 2017. The cylinder is unique because of its lightweight yet highly durable properties that help boost efficacy while saving NGV transportation costs. The innovation shall help develop competency potential for energy business within the country.

► November

- SCN was approved as member of the Thailand's Private Sector Collective Action Coalition Against Corruption: CAC on 10 November 2017 by the CAC Board.
- SCN's 3 subsidiaries; Nampong NGV 2558 Co., Ltd. ("NPS"), Aimmie NGV Co., Ltd. ("AIM") and Kaokong Petroleum Co., Ltd. ("KKP") signed a contract with Bangchak Corporation PCL to be the service station operator and fuel trader beneath the Bangchak trademark in the Company's NGV service station to respond to NGV consumers' demands. Kaocharoen Logistics (KCL), a subsidiary signed a contract to transport liquid gas with Praixair(Thailand) Co., Ltd. To transport liquid carbondioxide, liquid oxygen, liquid nitrogen or liquid argon to the location, date and time set by the contract pair.

► December

- Contracted in the Trade and Maintenance Project for Air-conditioned NGV Buses for a time span of 10 years. This is a collaboration between the Company and Cho-Thavee Public Co., Ltd. ("CHO") beneath the cooperation name SCN-CHO. Both companies share a 50% responsibility to supply 489 air-conditioned NGV buses along with maintenance for 10 years for the Bangkok Mass Transit Authority (BMTA). The total project value is 4,261 million THB (VAT included).
- The Company signed a contract with PTT to operate and provide maintenance for the NGV station within Bangkok and proximities area 2 to, administrate, manage, operate and oversee operations and maintenance.



The 14 highest shareholder

The 14 highest shareholders of the closing date of 9 March 2018

Shareholder	Amount (Shares)	Shareholding percentage (%)
1. Mr.Thanchart Kitpipit	716,720,000	59.73
2. Bualuang Long-Term Equity Fund	44,757,000	3.73
3. Mrs.Natcha Kitpipit	20,000,000	1.67
4. Bualuang Long-Term Equity Fund 75/25	12,257,100	1.02
5. Mr. Somsak Amornpithak	10,381,000	0.87
6. Mr.Littee Kitpipit	10,000,000	0.83
7. Ms.Narrisara Kitpipit	10,000,000	0.83
8. Mr. Somsak Tirakanand	9,309,400	0.78
9. Buakaew Equity Fund	8,984,800	0.75
10. BERMF	8,887,500	0.74
11. B SENIOR Citizen Mixed Fund	7,948,200	0.66
12. BFLRMF	7,594,600	0.63
13. Mr.Nurak Mahathanaanon	7,000,000	0.58
14. Mrs.Pensri Rattanasoonthrakul	6,700,000	0.56
Total	880,539,600	73.38

Note: Retrieved from Thailand Securities Depository Co., Ltd.



Revenue structure

The revenue structure from sales and services of the company and subsidiaries throughout the

Business	Operated by	Shareholding percentage of the Company on 31 Dec 17	2017		2016		2015	
			Million THB	%	Million THB	%	Million THB	%
1. Natural gas recurring businesses			1,515.01	60.24	1,718.50	68.50	1,284.93	61.33
1.1 NGV Service Stations	Scan Inter PCL ⁽¹⁾ Kaokong Petroleum Co., Ltd. ⁽²⁾ Warapapha Co., Ltd. ⁽²⁾ NT Energy Gas Co., Ltd. ⁽³⁾	99.99 99.98 99.98	455.37 230.27 201.10	18.11 9.16 8.00	512.93 239.36 250.26	20.45 9.54 9.98	246.88 242.87 2.32	11.78 11.59 0.11
			16.84 7.16	0.67 0.28	18.82 4.49	0.75 0.18	1.69	0.08
1.2 Industrial Compressed Natural Gas (ICNG)	Scan Inter PCL		306.75		185.35	7.39	129.57	6.18
1.3 Private Mother Station (PMS)	Scan Inter PCL		279.67	11.12	329.70	13.14	265.05	12.65
1.4 Natural Gas Quality Improvement ⁽⁵⁾	Scan Inter PCL		144.18	5.73	171.62	6.84	178.87	8.54
1.5 NGV (Third Party Logistics (TPL)	Scan Inter PCL		276.08	10.98	484.44	19.31	401.24	19.15
1.6 EPC & Maintenance	Scan Inter PCL		52.96	2.11	34.46	1.37	63.32	3.02
1.7 Gas system installation in vehicles	Scan Inter PCL		-	-	-	-	-	-
1.8 Associated Gas ⁽⁶⁾	Scan Inter PCL		41.34	1.64	-	-	-	-
2. Renewable Energy			774.45	30.80	619.28	24.69	666.13	31.80
3. Automobile Sales	Scan Inter PCL		-	-	-	-	-	-
4. Service stations ⁽⁶⁾	Kaokong Petroleum Co., Ltd. Namphong NGV 2558 Co., Ltd.	99.99 99.99 99.99	- - -	- - -	- - -	- - -	- - -	- - -
5. Trade and Maintenance for Air-conditioned NGV Buses ⁽⁶⁾	SCN-CHO cooperation (ratio 50:50)		-	-	-	-	-	-

Business	Operated by	Shareholding percentage of the Company on 31 Dec 17	2017		2016		2015	
			Million THB	%	Million THB	%	Million THB	%
6. Other businesses			183.97	7.32	170.84	6.81	143.98	6.87
6.1 Carbon dioxide and batteries	Siamvasco Co., Ltd.	99.99	32.30	1.28	46.38	1.85	70.34	3.36
6.2 Exporting batteries and glass	Contorno Co., Ltd.	99.98	58.55	2.33	38.42	1.53	38.29	1.83
6.3 Area rental within service stations	Scan Inter PCL		28.95	1.15	31.94	1.27	35.35	1.69
6.4 Domestic transportations	Koacharoen Logistics Co., Ltd. ⁽⁴⁾	99.99	64.17	2.55	54.10	2.16	-	-
Gross total			2,514.77	100.00	2,508.62	100.00	2,095.04	100.00

Note: (1) 4 NGV service stations consist of the Scan Inter station at Pathumthani, and 3 Susco-Scan Inter stations in Bangkok

(2) The Company purchased Warapapha Co., Ltd. and Kaokong Petroleum Co., Ltd. on the 25 and 28 December 2015 accordingly

(3) The Company purchased NT Energy Gas Co., Ltd. on 15 June 2016

(4) The Company purchased Kaocharoen Logistics Co., Ltd. on 11 March 2016

(5) Revenue from Gas Quality Improvement is already included in the PMS business, starting on September 2015 onwards

(6) Associate gas selling, service stations and the NGV bus project businesses' revenue will be noticeable in 2018

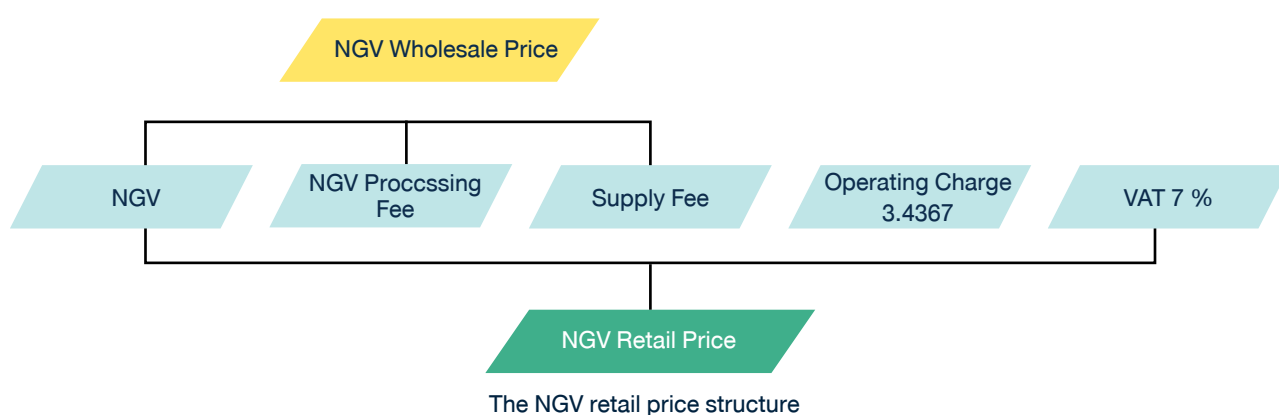


An analysis of the demands and NGV price in Thailand

► NGV price structure

Since the government had announced a policy of NGV price floating following the resolutions of the Department of Energy Policy & Planning Office on 20 January 2016 in order to reflect the true costs, the office assigned PTT to overlook the prices in the first six months. If the capital of the price of gas is higher than the present price at 13.50 THB per kilogram but the capital of gas price decreases, the retail price would immediately decrease. As for the NGV price for public transport, PTT will help to maintain the NGV price to not exceed 10 THB per kilogram continuously until there is a lasting mechanism.

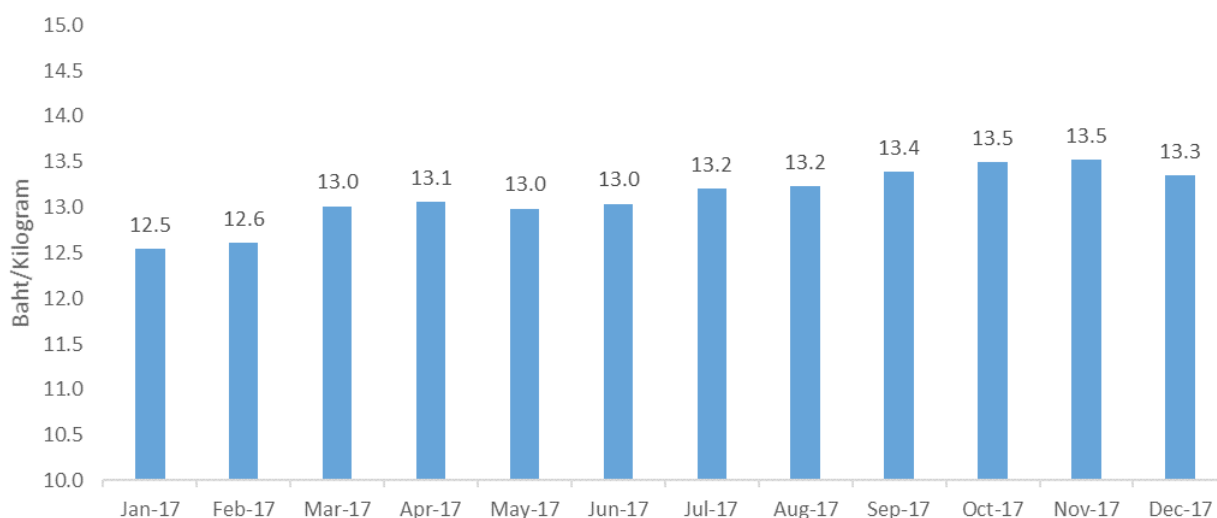
The effects from the retail NGV retail price structure following the price float policy has resulted in new NGV service stations have a reimbursement of 3.4367 THB per kilogram. From the old private NGV Service stations that received the marketing value of 1.80–2.00 THB per kilogram as shown in the diagram below,



Reference: EPPO, Ministry of Energy, 2016

From the NGV price floating policy as mentioned, the NGV retail price has a tendency to follow the plan that the Department of Energy Policy & Planning Office had anticipated, that the NGV retail price in 2017 would continuously drop from 2016 to become significantly lower than oil fuel prices.

The graph that shows the NGV retail price since January 2017 onwards

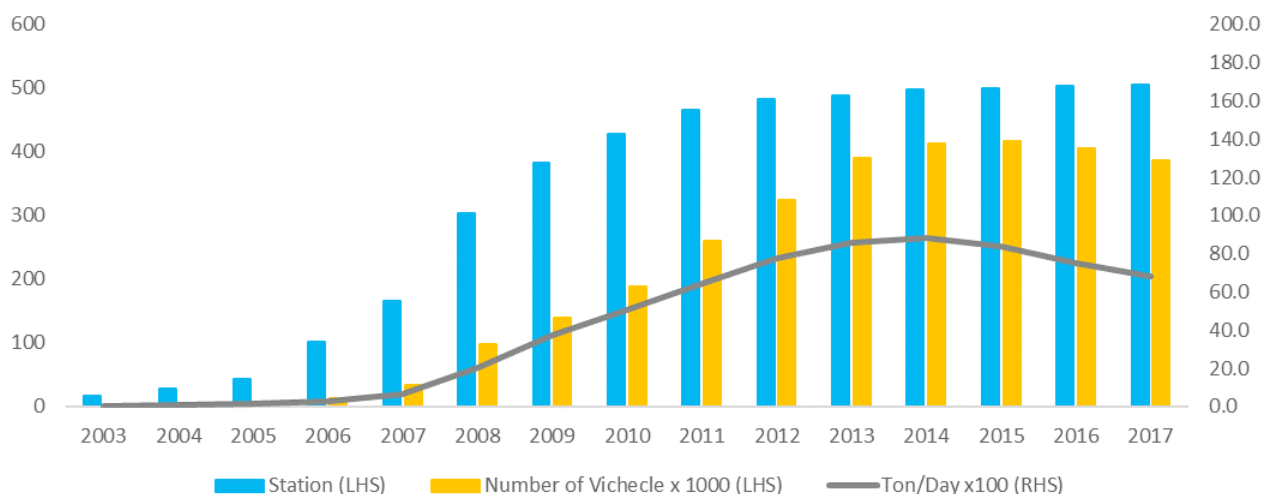


Reference: www.pttplc.com

► **The amount of normal cars, gas consuming cars and the amount of NGV consumption**

The amount of NGV cars continuously rose since 2003 onwards. In 2016 and 2017 the amount of NGV cars totaled 404,495 cars and 385,393 cars accordingly, dropping only at a small amount from the decrease of oil fuel prices. Some consumers might not understand the natural gas price structure since natural gas prices will just follow the oil prices but still will have a difference of over 50%. NGV will still remain the cheapest type of energy especially when compared to other field types. Consumers use more NGV cars even though the price of oil fuel has decreased.

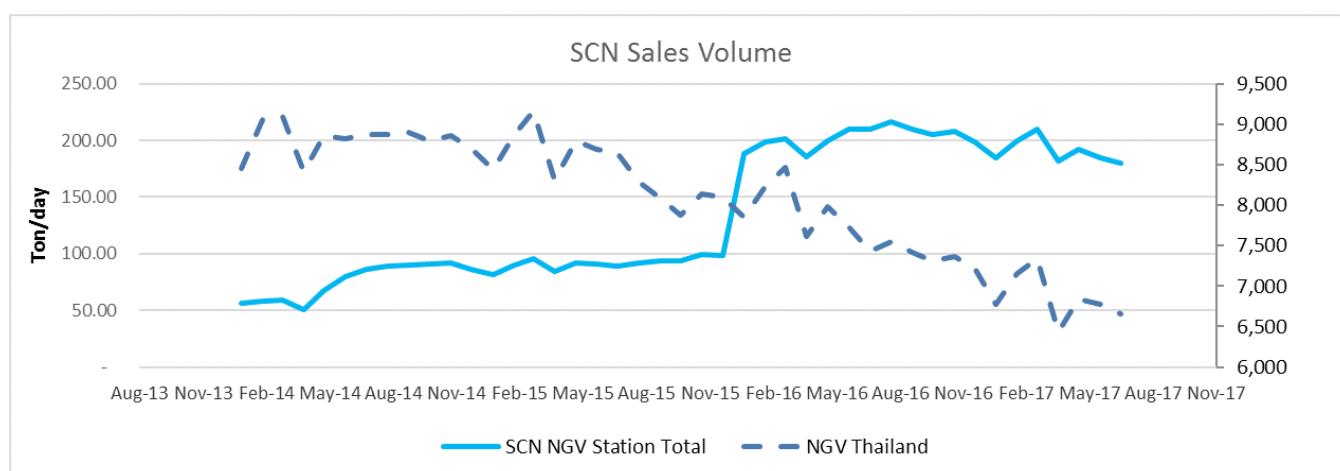
This graph represents a comparison on the amount of NGV service stations, the amount of NGV cars, and sales volume of NGV



Reference: NGV statistics in Thailand from 2003-2017, PTT PCL

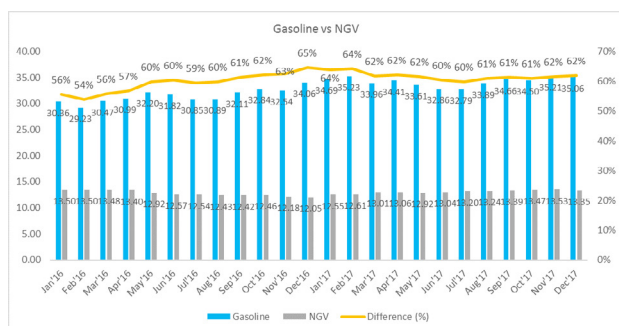
By the end of 2017, the Company's sales volume from operating NGV service stations have an average sales volume of 185,000 kilograms per day or 2.71% of the total NGV sales volume in the country.

This graph represents the sales volume of the Company from 2014–2017 compared to the sales volume in all parts of the country

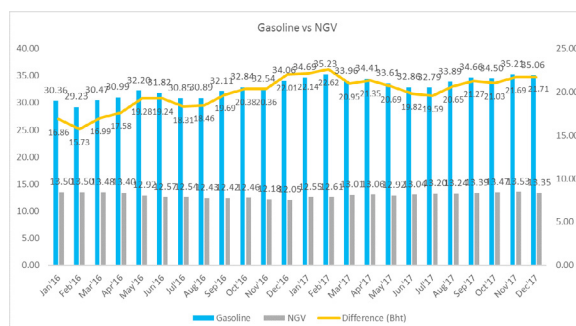


Still, NGV remains the best alternative energy for vehicles especially vehicles used in transportation and public transport which emphasize on saving costs from the NGV price float police he announced by the Energy Policy and Planning Office on 20 January 2016. This indicates that interview prices still different from benzene and diesel have significant price differences.

Graphs comparing the difference between NGV and benzene prices

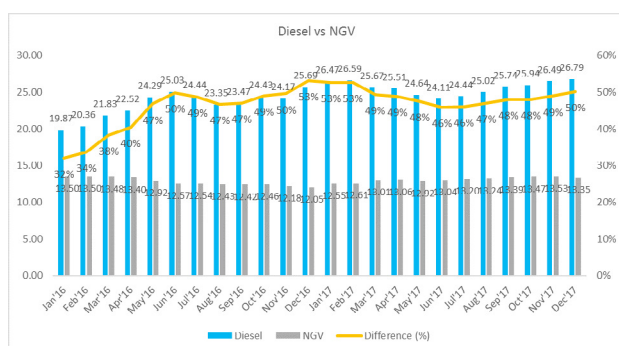


Differences compared in percentage (%)

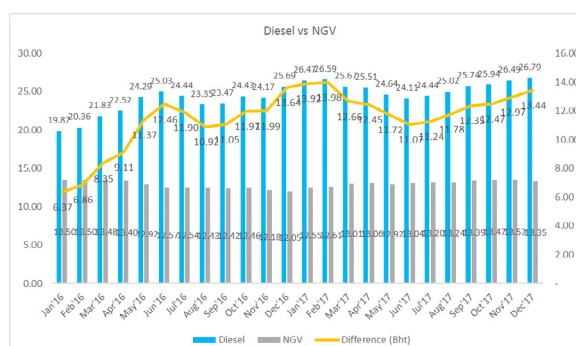


Differences compared in price (THB)

Graphs comparing the difference between NGV and diesel prices



Differences compared in percentage

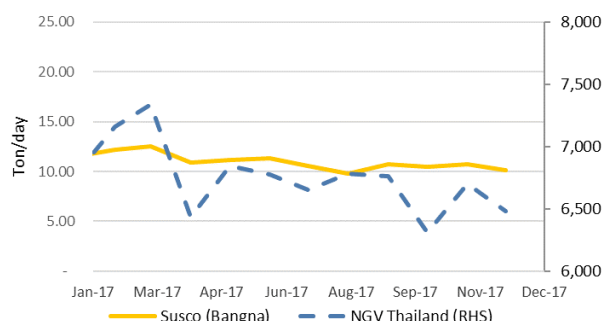
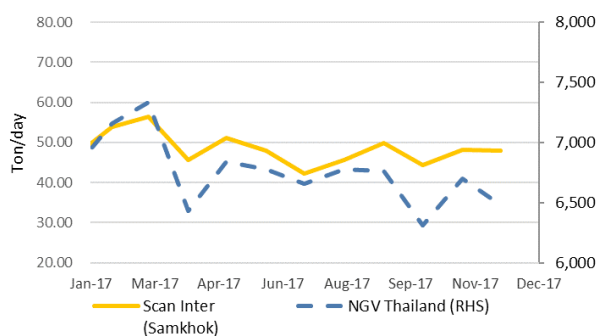


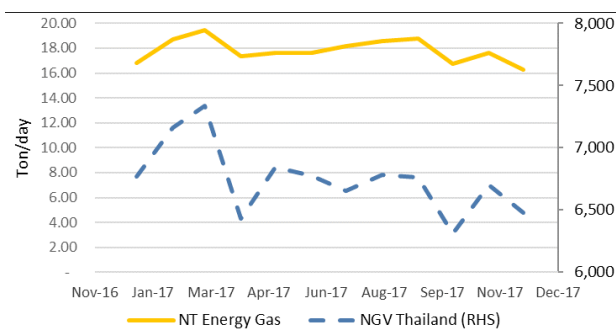
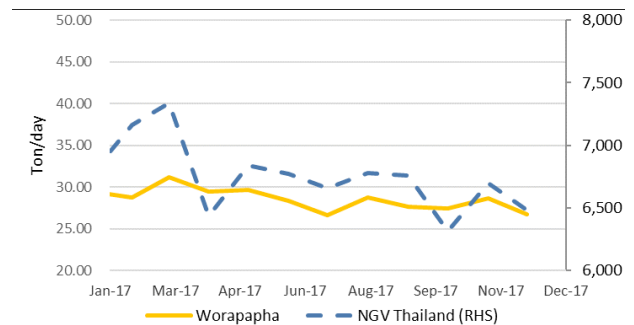
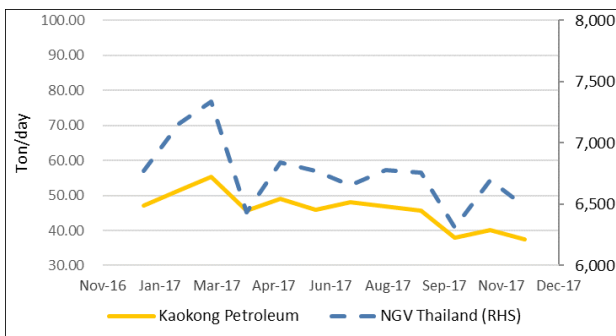
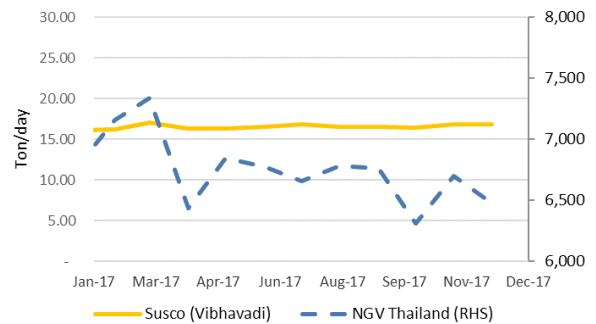
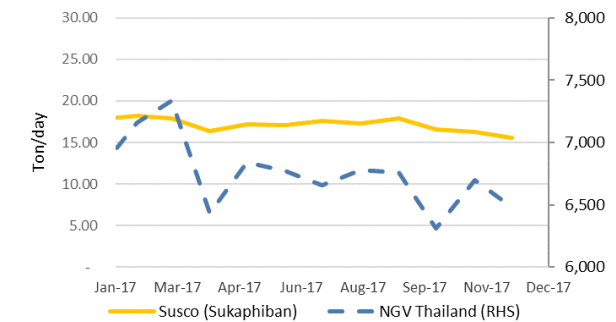
Differences compared in price (THB)

Reference: PTT PCL

In the past, certain entrepreneurs did not yet understand the pricing structure of NGV at the present and has decided to return back to consume oil fuel. However, after the NGV price restructuring that reflected the true cost in the past year, these entrepreneurs realized that NGV still is the most economical alternative in fuel for vehicles. In 2017 each service station's sales volume from 1 January 2017–31 December 2017 still has a tendency to fluctuate continuously as represented in the graphs below.

These graphs show the sales volume of each service station in 2017 compared to the sales volume from the entire country





The Company oversees an opportunity in Thailand's NGV potential to grow in the future, and therefore aims to acquire more NGV service stations and make contracts in trading NGV along to constructing more NGV service stations to respond to the demands of NGV growth in the future and to continue the operations in SCN's core business continuously as well. More goals in business expansions regarding other fields of natural gas that the Company is the professional in and still emphasizes on creating innovative energy technology to contribute to sustainable growth of the organization.

Operation plans for 2018

► NGV service station expansion plans

The Company's administrative sector is confident that NGV will still remain the most cost-saving alternative for fuel in Thailand. Therefore SCN still aims to expand and construct 6 more NGV service stations which will be completed and earn noticeable income in 2018. Then, the Company will operate and gain noticeable income from 13 service stations as 7 are currently operating. An investment budget of 1,350 million THB for NGV service station expansion has been approved from the Board since 2017.

The number of NGV service stations and sales volume goals which have will continuously grow until 2019

Brand	Name of the service station /Company	Capacity goal of 2017 (Kg/day)	Capacity of 2017 (Kg/day)	Average sales volume 2017 (Kg/day)	Capacity goal of 2018 (Kg/day)
Scan Inter	Scan Inter PCL (Pathumthani)	65,000	65,000	60,000	50,000
	Kaokong Petroleum Co., Ltd. (Rayong)	75,000	75,000	65,000	50,000
PTT	Warapapha Co., Ltd. (Bangkok)	30,000	30,000	30,000	30,000
	NT Energy Gas Co., Ltd. (Prachinburi)	30,000	30,000	20,000	20,000
Susco Scan Inter 3 stations (Bangkok and premises)		90,000	90,000	65,000	50,000
Goal for increased NGV service stations in 2018					
PTT	Namphong NGV 2558 Co., Ltd. (Khonkaen)**	0	60,000	0	40,000
Scan Inter	Aimmie NGV Co., Ltd. (Prachinburi)**	0	40,000	0	30,000
	B.P.A Intertrade Co., Ltd. (Cho-buri)**	60,000	60,000	0	70,000
	Siamvasco Co., Ltd. (Chainart)**	0	0	0	60,000
Total NGV Capacity goals		350,000	450,000	240,000	400,000

► Service stations

The Company signed a contract with Bangchak Corporation (Public) Company Limited to operate a product, fuel and retail business beneath the Bangchak trademark to provide service to 3 of SCN's existing NGV service station customers; 1. Kaokong Petroleum Co., Ltd. service station at Rayong, 2. Nampong service station at Khonkaen and 3. Aimmy service station at Prachinburi to serve both NGV and fuel consumers. The Kaokong service station already started operating since 14 February 2018. The other 2 stations will start operating within 2018 as well. SCN anticipated increased income at 500 million THB/year.

Amount of service stations and sales volume goal that will grow continuously until 2019

Status	Service stations / Company name	Goal for 2018 (Liters/day)
Green Field	Kaokong Petroleum Co., Ltd. (Rayong)	10,000
	Aimmie NGV Co., Ltd. (Prachinburi)	10,000
	Namphong NGV 2558 Co., Ltd. (Khonkaen)	10,000
	Total	30,000

► Compressed Natural Gas Composite Cylinder, CNG Type IV Composite Cylinder Production

The Compressed Natural Gas Composite Cylinder, CNG Type IV Composite Cylinder (a lightweight yet highly durable cylinder which helps boost efficacy while saving NGV transportation costs) receives 2nd place at i-INNOVATION THAILAND WEEK on 9 October 2017 in economy from the National Innovation Agency (NIA), Ministry of Science and Technology. In 2018, SCN plans to produce and sell the N4 tank both locally and internationally. Currently the plan is still in the process of studying for marketing opportunities and distribution channels. SCN may be the exclusive producer and seller or co-producer with Sojitz Corporation.

► Industrial Compressed Natural Gas (iCNG)

SCN focuses on distributing more natural gas to industrial factors. The company has signed a contract in trading gas with Osaka Gas Company (Thailand) Limited to distribute the cast to industrial plants out of the pipeline and industrial plants along the pipeline that need more gas to respond to their demands of gas consumption in increasing industrial plants, clearly seen from 2017 operation results. SCN also plans to use the CNG Type IV to replace or add transport capacity for iCNG while lowering transportation costs significantly to respond to constantly increasing demands from customers.

► The Trade and Maintenance Project for Air-conditioned NGV Buses

The Company and Cho-Thavee Public Co., Ltd. ("CHO") collaborated beneath the cooperation name SCN-CHO in December 2017. Both companies share a 50% responsibility to supply 489 air-conditioned NGV buses along with maintenance for 10 years for the Bangkok Mass Transit Authority (BMTA). The total project value is 4,261 million THB (VAT included). The value is divided into; value of 489 buses or 1,891 million THB (VAT included). The SCN-CHO cooperation must deliver all 489 buses within June 2018. As for maintenance for all 489 buses is 2,370 million THB (VAT included) throughout 10 years. Income will be noticeable from 2018 onwards.

▶ **Solar farm**

On 15 January 2018, the Company acquired 99.99% shares of VO Net Biodiesel Asia Co., Ltd. (“VON”). VON is the generator and seller of electricity to the Provincial Electricity Authority (PEA) since 25 June 2014 at the basic electricity price with the adder of 6.5 THB/unit. Income will be noticeable at 18 million THB/year. Resulting SCN with 2 solar farms with a total capacity of 6MW in 2018. Since solar energy is clean, renewable and environment-friendly, the Company sees the importance and is constantly seeking to invest in these businesses

▶ **EPC & Maintenance**

SCN still focuses on seeking for EPC & maintenance projects both locally and internationally, especially in Southeast Asia. The Company holds EPC back logs for PTT and other private sectors, including PTT operations and NGV service station maintenance. The Company also has a gaspipe placing project for Ratchaburi Glass with a total value of 425 million THB. Still, SCN aims to add more EPC back logs. In 2018, it is anticipated that EPCs with over 320 million THB in total will be sought. The spare part business gained 50 million THB. Additionally, the Company plans to expand more Testing Services after receiving overly positive feedback from customers which will help Scan Inter (Public) Company Limited grow stably in the future.

Risk Factors

Risk factors for the SCN Group that may significantly affect the investment return may be concluded as follows,

Risks in Conducting Business

Risks in conducting business of SCN may be classified into 4 main types with details as follows;

1. Risks from relying upon major customer of natural gas businesses

The Company operates natural gas business with 1 major customer which is PTT, the sole NGV distributor in the country. As the Company positions itself as the professional in this NGV field, PTT and SCN have always been business partners.

If PTT ceases its operation of natural gas business and cancels NGV supplies from SCN, this will decrease the revenue and profit of the Company significantly. However, the Company strictly follows the hiring contract by sending high quality work with great service. Therefore, the Company has been continuously engaged with PTT all along up to present. PTT is a good trade partner and has been a business partnership with SCN for of 23 years without any incidents to terminate the hiring. Still, the Company is fully aware of this risk and tries to expand customer base to

new private companies. SCN has auctioned in more private EPC projects both locally and internationally, especially in the South East Asian region. Efforts to expand business base also include supplying 489 air-conditioned NGV buses along with maintenance for 10 years for the Bangkok Mass Transit Authority (BMTA). The total project value is 4,261 million THB.

2. Risks from the compensation rate from guaranteeing work outcomes

In the EPC business, the equipment which the Company uses must pass industrial standards and standards from related organizations since they are used in high pressure environments because NGV is highly flammable. Any errors that may occur with the equipment might lead to major casualties to the equipment, machines, employees or clients and customers. The Company must guarantee a 1 year warranty since the delivery date. However, the equipment part manufacturers also give a 1 year warranty since the delivery date as well. The Company also calculates the chances of equipment damage after calculating the service fee from clients or customers. For prevention methods, the Company has reserved compensations from guaranteeing outcomes in the EPC business so any incidents will not affect normal work operations.

At the date of 31 December 2017, the Company has no litigations or pending lawsuits related to outcome guarantees.

3. Risks from competing automobile manufacturers and dealers

This risk originates from the numerous amounts of automobile manufacturers and representatives leading to high levels of competency. The Company is a fixer and maintenance of Mitsubishi automobiles which must compete with other brands. The Company also has to compete with other Mitsubishi dealers in Nonthaburi province and Bangkok. However, the Company manages this risk factor by using promotions regularly with a sales team that is updated about the competitors' situation to immediately alter the marketing plan. The Company also includes excellent post-sales services. Moreover, Mitsubishi headquarters has set a sales territory to prevent problems that dealers may compete within the same brand with other Mitsubishi dealers. Additionally, the Company also provides service in repairing car paint and body from general customers and over 10 vehicle insurance companies which significantly gain income for the Company.

4. Risks from depending on suppliers

The Company conducts business by selling Mitsubishi automobiles and spare parts with Mitsubishi as the sole supplier of automobiles and spare parts. If Mitsubishi cancels the dealer contract and other related contracts, the Company revenue will be effected. However, the Company strictly follows the contract, is able to continuously sell according to the target, and delivers quality product and service which maintains Mitsubishi's good image. This makes the Company confident that the contract will be continued in the future.

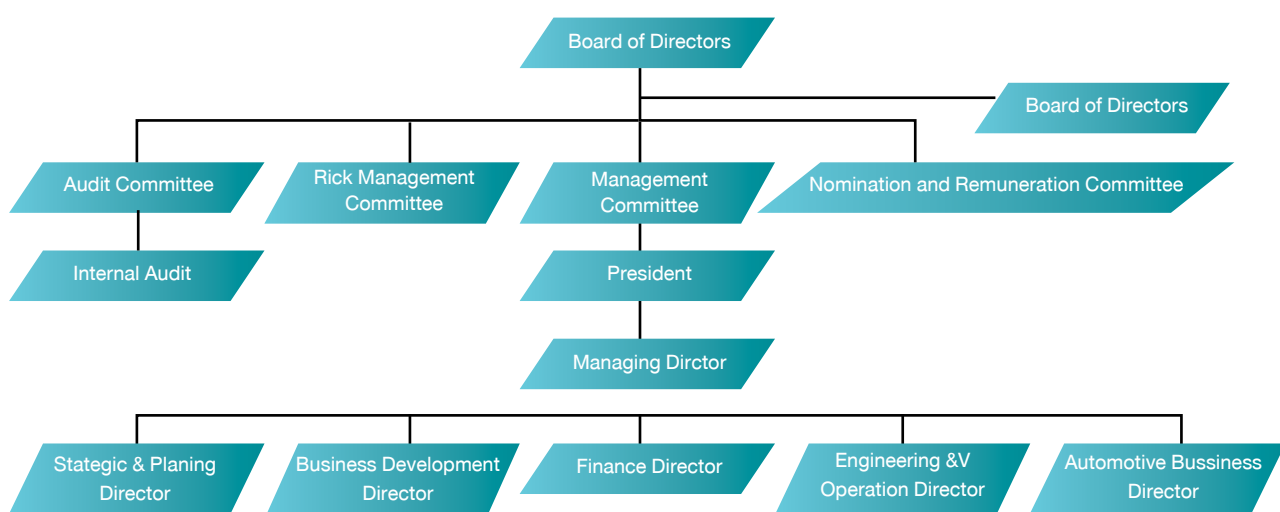
5. Risks from NGV price fluctuation and instability

The Company operates integrated NGV services which gains revenue from the NGV directly. The NGV price has floated by the government's NGV announcement, effective from 21 January 2016 to reflect the true cost. The NGV price before announcement was 13.50 THB/kg. After the government's announcement, the NGV price become tardily lower and changes monthly. The price declined until the lowest price of 11.89 THB/kg. in November 2016 before gradually increasing to the present price. On 22 March 2018, the NGV price is at 13.57 THB/kg. After the NGV price float, the Company and its management has followed up on global crude oil prices news, Government Policy, Ministry of Energy, Ministry of industry, Department of Energy Business Department of Land Transport, PTT and other agencies. We found that NGV prices have changed depending on oil prices but at a slower pace, retracting back by approximately 6 months. NGV tends to be 40-50% more cost-saving than using Diesel and 50-60% safer than Benzene. Hopefully, it will remain this way if there is no change in NGV pricing policy.

Other than mentioned, according to the existing service station agreement with PTT, a fixed profit of 2 THB / kg will be fixed. The increase in NGV price will affect the gas station business. In other words, the Company will gain more revenue while the net profit margin decreases because the increase cost of NGV/kg. In 2018, SCN is negotiating on new NGV trade contracts that calculate the price depending on the heat index in order to construct 3 more NGV service stations and/or negotiating to change old contract agreements from weight (kg.) to the heat index in 2 service stations for the Company's highest interests.

SCN GOOD CORPORATE GOVERNANCE

The Management Structure



The Board of Directors and the Company's Subcommittees

The Company's management system consists of the Board of Directors and 4 Subcommittees; the Audit Committee, the Management Committee, the Risk Management Committee and the Nomination and Remuneration Committee. The details, procedures in recruitment, appointment and withdrawal or retirement of Company directors are regulated in each of the Committee's charters. The names of the directors, their position and meeting attendance in 2017 are as follows,

Name	Position	Meeting Attendance/ Meetings throughout the year					
		The Board of Directors	The Audit Committee	The Management Committee	The Risk Management Committee	The Nomination and Remuneration Committee	Shareholders' Meeting Attendance ⁽⁵⁾
1. Dr.Thanong Bidaya	• Chairman of the Board of Director/ Independent Director	4/6 ⁽¹⁾	-	-	-	-	1/1
2. Mrs.Kannika Ngamsopee ⁽²⁾	• Independent Director/ Chairman of the Audit Committee	6/6	4/4	-	-	-	1/1
3. Mr.Chamnan Wangtal ⁽²⁾	• Independent Director/ Audit Committee • Chairman of the Risk Management Committee • Chairman of the Nomination and Remuneration Committee	6/6	4/4	-	2/2	3/3	1/1
4. Mr.Peerapong Achariyacheevin	• Independent Director/ Audit Committee • Nomination and Remuneration Committee	4/6 ⁽¹⁾	3/4 ⁽¹⁾	-	-	3/3	1/1
5.Mr.Vichien Ussanachote ⁽²⁾	• Independent Director/ Audit Committee	5/6 ⁽¹⁾	4/4	-	-	-	-
6. Mr.Thanchart Kitpipit	• Director/ Chairman of the Management Committee • Nomination and Remuneration Committee	6/6	-	21/22	-	3/3	1/1
7. Dr.Littee Kitpipit	• Director/ Managing Director/ Management Committee • Risk Management Committee	6/6	-	22/22	2/2	-	1/1
8. Mr.Chokdee Wongskeo	• Director/ Management Committee	5/6	-	22/22	-	-	1/1

Name	Position	Meeting Attendance/ Meetings throughout the year					
		The Board of Directors	The Audit Committee	The Management Committee	The Risk Management Committee	The Nomination and Remuneration Committee	Shareholders' Meeting Attendance ⁽⁵⁾
9. Mr.Somkiat Weetrakul ⁽³⁾	<ul style="list-style-type: none"> • Director/ Management Committee/ • Risk Management Committee 	4/5	-	18/21	2/2	-	1/1
10. Ms.Narissara Kitpipit	<ul style="list-style-type: none"> • Director/ Management Committee • Risk Management Committee 	6/6	-	22/22	2/2	-	1/1
11. Mr.Somchai Leechawengwongs	<ul style="list-style-type: none"> • Director/ Management Committee 	5/6	-	22/22	-	-	1/1
12. Mrs.Pimwanitar Jaratpreedar ⁽⁴⁾	<ul style="list-style-type: none"> • Director/ Management Committee • Risk Management Committee 	1/1		1/1	-	-	-

- Note:
- (1) The member could not attend the meeting due to an overseas business. The business was vital and urgent, therefore a force majeure, not an intention to be absent from the meeting.
 - (2) Mr.Chamnarn Wangtal had resigned from being Chairman of the Audit Committee but still takes role of Audit Committee and other subcommittee members. Mrs.Kannika Ngamsopee was appointed as Chairman of the Audit Committee instead of Mr.Chamnarn Wangtal. Changes are affective since 21 February 2017 onwards.
 - (3) Mr.Somkiat Veetrakool resigned from the BOD and other subcommittees. Changes are affective since 1 November 2017 onwards.
 - (4) Mrs.Pimwanitar Jaratpreedar was appointed as a BOD instead of Mr.Somkiat Veetrakool. Changes are affective since 9 November 2017 onwards.
 - 5) The Company held the Ordinary Shareholder's meeting on 25 April 2017

Directors authorized to sign on behalf of the Company

Mr.Thanchart Kitpipit or Dr.Littee Kitpipit or Ms.Narissara Kitpipit may sign with one of these 3 directors; Mr.Chokdee Wongskeo or Mr.Somchai Leechawengwongs or Mrs.Pimwanitar Jaratpreedar, totaling in 2 people along with the Company's stamp.

The Board of Directors

The Board of Directors consists of 11 experienced directors who are professionals in their fields. 5 Independent Directors are present, with 4 Audit Committees who will verify internal control systems, the financial statement and following policies, rules and regulations set by the Company.

The Chairman of the Board of Director is not the same person as the Chairman of the Management Committee, as to clearly separate and balance responsibilities and duties. The Company's ratio of 5 Independent Directors is equal to 1 in 3 of the whole committee. Also, there are 2 female directors.

• Duties and Responsibilities of the Board of Directors

The Board of Directors has duties and responsibilities as follows,

1. Manage the business for the shareholder's highest benefit by emphasizing on 4 vital guidelines as follows,

- 1.1 Fulfill duties responsibly, carefully and thoroughly
- 1.2 Fulfill duties honestly
- 1.3 Follow the law, Company objectives, regulations, conclusion of the Board of Directors and shareholder's meeting.
- 1.4 Disclose information to shareholders correctly, completely, transparently, auditably and punctually.

2. Set and revise Board of Directors structure; number of members, ratio of independent members, as well as the diversity of attributes to suit the Company's business operations.

3. Set the vision, mission and strategies for the

Company's business operations. Revise and approve these issues annually.

4. Consider the main plan for operations, budget, objective and business policy. Develop the Company's potential to be compatible to international standards.

5. Follow and supervise actions so that company strategies are truly enacted. Follow operation results in the organization and business group level. Set a criteria to regularly report operation results. Provide policies to develop and improve business operations by considering the safety, health, social responsibility along to personnel development.

6. Devote time without seeking for personal interests or interests for a specific member. Never commit any actions that conflict with the Company's interests.

7. Manage the Company following the law, Company objectives, regulations, conclusion of the Board of Directors and shareholder's meeting in a responsible, careful, honest and thorough manner for the Company's highest interest and equity to all related persons.

8. Set risk management policy, supervise effective risk management, revise and assess the risk management system regularly whenever risk levels change.

9. Supervise and improve the Company's Good Corporate Governance to meet international standards. Follow up to truly enact these guidelines. Be a good example for others in Good Corporate Governance and corporate ethics.

10. Promote staffs of all levels to have a sense of ethics, moral, and following Good Corporate Governance, corporate ethics along to the Company's anti-corruption policy. Supervise suitable internal control and internal auditing to decrease any risks of corruption or misusing power, authority as well as preventing any illegal actions.

11. Fairly maintain interest of both major and minor shareholders. Support shareholders to exercise their rights. Supervise the Company to disclose information correctly, completely, transparently, auditably and punctually.

12. Be aware of the roles and responsibilities of a Board of Directors. Respect the shareholder's rights. Treat all shareholders and stakeholders fairly and transparently. Ensure that an effective and available channel is ready for any contacts/complaints, especially for issues that may directly affect and cause problems to the Board of Directors.

13. Consider the Development plan of Executives and the succession plan for the Managing Director position. Direct to have an annual assessment of the Executive's work results. Enact a system that carefully, transparently considers executive remunerations consistent to their roles, responsibilities and operation results to encourage them in the short and long term.

14. Annually assess the Board of Directors's operation results. Assess by 2 means; being Board of Directors as a whole and self-assessment. Follow up assessment results of the Board of Directors and Subcommittees to co-consider within the Board of Directors. Revise roles and responsibilities assessments of the Board of Directors and Subcommittee regularly.

15. Direct to ensure that the nomination and voting for Board of Directors is carried out transparently. Determine remunerations for the Board of Directors and Subcommittee members suitably.

16. Attend the Board of Directors and Shareholder's meeting, except for emergency cases when a member is unable to attend a meeting. If so, the person must notify the Chairman or Board of Directors Secretary prior to the meeting.

17. Constantly develop their knowledge and work abilities. Attend training sessions or curriculums related to their roles and responsibilities, along to seminars to expand knowledge. In practising as a Board of Directors, one may consult independent consultants or experts in other occupation fields as deemed necessary and appropriate.

- **Configurations of the Board of Directors**

The Board of Directors consists of as follows,

1. The Board of Directors consist of at least 5 Board members who are appointed and dismissed by the shareholder's meeting. Also, at least half of the Board must reside within the Kingdom of Thailand.

2. The Board of Directors must consist of at least 1/3 independent members. The Board is regarded as representatives of major shareholders and from the Company management section.

3. The Board of Directors must appoint 1 member as Chairman. When a member is selected, the Company will set an orientation session for them to deliver the Scan Inter (Public) Company Limited handbook along to other related information for all newcomers. This is to acknowledge them of their roles and responsibilities as member of the Board.

- **Attributes of the Board of Directors**

The Board of Directors possess attributes as follows,

1. Possesses attributes to be a Director as regulated in the Public Company Limited Act and Company regulations. The person must not hold a uncreditable reputation, according to the declaration by the Securities Commission and the Stock Exchange of Thailand (SET).

2. Has wide vision and leadership skills, understands the Company's business operations.

3. All Board of Director members must independently fulfill their duties and express their opinions. They must be able to dedicate ample working time towards their roles

- **Tenure**

At the Annual Shareholder's meeting, 1/3 Board of Directors members must resign from their position due to rotation. If the number cannot be divided into 1/3, a number as close to 1/3 must resign. The member to resign due to rotation is considered from the person who holds the longest time in the position. However, members may be reappointed.

Other than expiration due to rotation, according to the mentioned regulation, a Board of Director member may be removed when he/she-

(1) Lacks qualities of being a Board of Directors according to Company regulations, laws or a declaration by the Securities and Exchange Commission and the Stock Exchange of Thailand.

(2) Submits a resignation form to the Board of Directors. This will have affect from the date when the form arrived at the Company.

(3) Is absent from the general Board of Directors meetings 3 times continuously without an on-leave notice and the Board of Directors reached a conclusion to vote with at least one half of all Board of Directors members.

(4) Shareholders reach a conclusion to dismiss the person, following the Act of a Public Company Limited.

(5) Receive a court order to resign.

(6) Passed away.

In the case that all Board of Directors members are dismissed, the former Board of Directors members must act on behalf of their former position to operate Company operations as necessary until a new set of Board of Directors is appointed.

In the case that a Board of Director position is vacant due to other causes than rotation, the Board of Directors must appoint a qualified person in place of the vacant position for the next Board of Directors meeting, except that the Board of Directors's remaining term is lesser than 2 months. The newly appointed person may remain in the position only for the left/remaining term of the vacant position.

- **Board of Directors meetings**

The Company regulates that Board of Directors meetings must be summoned at least 6 times per year. In each meeting, clear meeting agendas must be preset. Also, special meetings may be summoned to consider important or urgent matters.

In considering a meeting, the Chairman and Managing Director will consider together. In summoning for a Board of Directors meeting, the Chairman or Corporate Secretary by the Chairman's order must notify the Board of Director members at least 7 days prior to the meeting date, except for urgent matters which a meeting may be appointed within lesser days of notice than mentioned.

- **Quorum**

In a Board of Directors meeting, at least half of all Board of Directors members must attend to consider as a meeting quorum. If the Chairman is absent or cannot carry his/her duties, the attending Board of Directors may select one of the Board of Directors as the meeting chairman.

In reaching a conclusion, the side with majority votes is regarded. One Board of Directors has one vote. If both sides are equally voted, the Chairman must cast his/her vote to arbitrate the conclusion in that matter.

In the case that positions in the Board of Directors are vacant thus not reaching the quorum, the remaining Board of Directors may act on behalf of the Board of Directors, only by summoning for a Shareholder's meeting to vote for Board of Directors members in replacement of the vacancies. The mentioned meeting must be summoned within 1 month since the vacancy with incomplete meeting quorum.

- **Remunerations**

Board of Directors remunerations follow the amount approved by the Shareholder's meeting.

- **Attributes of Independent Directors**

The Board of Directors defined attributes of Independent Directors as follows,

(1) Must not hold shares exceeding 1% of the shares that have the right to vote of the Company, large companies, subsidiaries, associates, major shareholders or person who holds control of the Company. Shares held by related persons the Independent Director must be counted as well.

(2) Is not or has never been a director who works in or with administration, employees, officers, consolors who receive a salary, or is a person who holds control of the Company, large companies, subsidiaries, associates, or same-level subsidiaries, major shareholders, or a person who holds control of the Company except having been exempt from the mentioned positions at least 2 years before the date of applying for permission from the Securities and Exchange Commission of Thailand (SEC). However, this does not include holding a position of Independent Director, governmental officer, or a consolor to a governmental organization which is a major shareholder or in a position that holds control of the Company.

(3) Must not be a person who is biologically or legally registered as related e.g. the father, mother, spouse, sibling, child or child's spouse of other directors, major shareholders, a person who hold a position of control, a person proposed to be a director or a person who holds a position of control of the Company or subsidiaries.

(4) Must never had or currently have any business-related relationship(s) with the Company, other large companies, subsidiaries, associates, major shareholders or a person who holds a position of control in the Company that may diminish independence in thought. Must not currently be or used to be a tendentious shareholder or a person who holds a position of control towards a person who has business relations to the Company, other large companies, subsidiaries, associates, major shareholders or a person who holds a position of

control within the Company, except for the case that the person has been exempted from the mentioned attributes for at least 2 years before the date of applying for permission from the Securities and Exchange Commission of Thailand (SEC).

(5) Must not be or never had been an auditor of the Company, other large companies, subsidiaries, associates, major shareholders or a person who holds a position of control of the Company, not a tendentious shareholder, a person who holds a position of control, a shareholder to the auditing agency who audits the Company, other large companies, subsidiaries, associates, major shareholders or a person who holds a position of control of a related company, except for the case that the person has been exempted from the mentioned attributes for at least 2 years before the date of applying for permission from the Securities and Exchange Commission of Thailand (SEC).

(6) Must never had been or be a service provider or a consolor of the law, finance with a remuneration of more than 2 million THB per year from the Company, large companies, subsidiaries, associates, major shareholders or is a person who holds control of the Company. Must not be a significant shareholder or a person who holds control or shares of the service provider in the same field except for the case that the person has been exempted from the mentioned attributes for at least 2 years before the date of applying for permission from the Securities and Exchange Commission of Thailand (SEC).

(7) Not a director who has been appointed to carry out operations of the Company, or directors of the Company, major shareholders or shareholders who are related to major shareholders.

(8) Must not run the same business or have significant competency towards the Company or subsidiaries or not a significant shareholder in partnerships or a director who works in or with administration, employees, officers, consolors who receive a salary or holds more than 1% of shares with the right to vote of other companies that runs business in the same field and have significant competency towards the Company or subsidiaries.

(9) Does not have any other attributes that prevent him/her from providing independent opinions regarding Company operations.

Chairman

The Company's policy is that the Chairman and Managing Director must not be the same person, for clarity purposes in responsibilities between setting the business's policy and daily managerial duties. The Company clearly divides responsibilities between the Board of Directors and Executives to balance each side's authority. The Company Board of Directors determines operations in the policy level while Executives direct and oversee the Company's operations according to the policies. The Chairman is Dr. Thanong Bidaya, an independent director as the Chairman of the Board of Directors due to his abilities and experience. The Company strongly believes that he will advance the organization towards success as mentioned in the Company vision and mission.

- **Roles and responsibilities of the Chairman of the Board of Directors**

The Chairman of the Board of Directors has roles and responsibilities as follows,

1. Consider and set Board of Directors meeting agendas with the Managing Director. Oversee the Company to receive correct, clear and punctual information prior to the meeting so that Board of Directors members may acknowledge and consider suitably.

2. Performs duties as the Board of Directors leader and Chairman of the Board of Directors meeting.

2.1 Oversee Board of Directors meetings to follow rules, agendas, Company regulations and the law.

2.2 Allocate enough time and encourage all Board of Directors members to discuss and exchange their opinions freely and openly while using careful discretion and all stakeholders.

2.3 Summarize meeting conclusions and a clear list of priorities gained from the meeting.

3. Act as the leader in the Shareholder's meeting to follow rules, agendas, Company regulations and the law. Allocate appropriate time along to giving Shareholders opportunities to express their opinions equally. Oversee the process of asking-answering questions from the Shareholder in a suitable and transparent manner.

4. Support and act as a good role model according to Good Corporate Governance and corporate ethics.

5. Maintain a good relationship between the Board of Directors and Management Committee. Support duty fulfillment of the Managing Director and Management Committee according to Company policies.

6. Oversee and supervise to disclose and manage information transparently, without any conflicts of interests.

7. Oversee and supervise so that the Board of Directors has a suitable structure and component. Supervise role and duty fulfillment of the Board of Directors on an overall level along to sub-committees and that each section carries out their duties efficiently and well.

Corporate Secretary

The Board of Directors meeting 1/2014 held on 18 September 2014 reached the resolution to appoint Mrs. Pimwanitar Jaratpreedar as the Corporate Secretary. The duties and responsibilities are determined in measure 89/15 and measure 89/16 of the Securities Act and the Stock Exchange of Thailand (SET) (Edition 4) B.E. 2551, having effect since 31 August 2008. Responsibilities must be carried out carefully, honestly and must respect the law, objectives, rules, Company meeting resolutions, the Board of Directors along to resolutions reached at the shareholders' meeting.

- **Duties of the Corporate Secretary**

The Corporate Secretary has duties as follows,

(1) Provide fundamental suggestions to the directors regarding the law, regulations, and rules of the Company. Ensure that operations are carried out correctly and regularly.

(2) Supervise information disclosure and reports in responsible according to the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission of Thailand (SEC).

(3) Compose and store these following documents,

- Director's registration form
- Meeting invitations and meeting minutes of Company meetings
- Shareholders' meeting invitations and the ordinary shareholders' annual meeting minutes
- Annual reports

(4) Store reports of stake holding reported by the Board and Directors.

(5) Carry out all operations requested by the Capital Market Supervisory Board announcements.

(6) Deliver copies of the stake holding report following measure 89/14, by the Board and directors of the Company to the Chairman and Chairman of the Audit Committee to acknowledge within 7 working days since the Company had received the report.

Subcommittees

▶ The Audit Committee

At the present, the Audit Committee of the Company consists of 4 Audit Committee members as follows,

Name	Position
1. Mrs. Kannika Ngamsopee	Chairman of the Audit Committee
2. Mr. Peerapong Achariyacheevin	Audit Committee
3. Mr. Vichien Ussanachote	Audit Committee
4. Mr. Chamnan Wangtal	Audit Committee

With Mrs.Pimwanitar Jaratpredar as the Secretary to the Audit Committee

Mrs.Kannika Ngamsopee was appointed as Chairman of the Audit Committee to replace Mr.Chamnan Wangtal, having effect from 21 February 2017 onwards. Mr.Chamnan Wangtal and Mrs.Kannika Ngamsopee are experienced and knowledgeable in auditing for the credibility of the Company's financial statement.

- **Duties and Responsibilities of the Audit Committee**

The Audit Committee has duties, authority and responsibilities as follows,

1. Audit the Company's system to report the financial statements and information disclosure, meeting international financial statement report standards.

2. Consider transactions, asset acquisition or distribution along to any listings that may include conflict of interests in respect of law enforcements, announcements by the Board of the Stock Exchange of Thailand (SET), regulations set by the Capital Market Supervisory Board and Board of the Stock Exchange of Thailand and the Stock Exchange of Thailand (SET).

3. Audit so that the Company has risk management procedures, work procedures, control, direct operations, information technology, maintaining the stability of information and an effective communication network to meet international standards.

4. Audit so that the Company has anti-corruption procedures that are consistent to guidelines by supervisory organizations, starting from supporting and reinforcing realization, risk assessment, creating preventive systems, checking along to self-assessment auditing about anti-corruption as the internal audit office had verified and assessed already. This is to ensure that the Company has systems anti-corruption as reported in the self-assessment form by the IOD.

5. Audit so that the Company has control and compliance procedures following laws regarding assets and the Stock Exchange of Thailand as well as other laws related to the Company's business.

6. Audit so that the Company has internal control systems following measures of internal control, a suitable and efficient internal audit system meeting internationally accepted methods and standards. Consider the "internal control system amplex form" which the internal audit

office had verified and assessed already to ensure that the Company has an ample internal control system. This must be proposed for consideration by the Board of Directors.

7. Audit and summarize corruption verifying results. Set preventive measures within the organization along to audit internal procedures of the Company regarding whistleblowing and receiving complaints.

8. Audit so that the Company has preventive systems that benefit the organization to increase efficacy and working performance.

Other roles

9. Consider to appoint, or dismiss an independent person as the Company auditor. Propose the remuneration rate for the Company auditor along to assess working efficacy of the Company auditor.

10. Compose the Audit Committee report and disclose in the Company Annual Report. The report must be signed by Chairman of the Audit Committee and include opinions in issues as regulated by SET.

11. Audit and provide opinions about the Internal Auditing Office operation coordinate with auditors and set a meeting with Auditors without the Management section at least once per year.

12. Consider to approve the internal audit plan, budget and manpower of the Internal Auditing Office. Approve of the appointment, withdrawal, repositioning, or termination of the Internal Auditing Office Director.

13. Consider the independence of the Internal Auditing Office. Consider from carrying out roles and responsibilities along to reports and includes governors. Collate the assessment of the Internal Auditing Office to meet international standards.

14. Collate so that Audit Committee members assess operations of the Audit Committee at an overall picture. Perform self-assessments every year.

15. Carry out any other operations set by the law or Board of Directors.

In performing roles and responsibilities, the Audit Committee has authority to call and order the Management Section, organization heads or related Company employees to provide opinions, attend meetings or submit documents as deemed appropriate. The Committee is also authorized to seek independent opinions from experts in other vocational fields as deemed appropriate by the Company's expense.

The Audit Committee performs their roles and responsibilities following Board of Directors orders. The Board of Directors is directly responsible for operations towards shareholders, stakeholders and the general public.

- **Configurations of the Audit Committee**

The Audit Committee is composed of as follows,

- 1.1 The Audit Committee must be appointed by the Board of Directors.
- 1.2 The Audit Committee must consist of at least 3 independent committees, and at least 1 committee with knowledge and expertise to audit the Company's financial statement credibility.
- 1.3 The Audit Committee must appoint 1 member as Chairman of the Audit Committee.

- **Attributes of the Audit Committee**

The Audit Committee is composed of as follows,

- 1.1 The Audit Committee must be appointed by the Board of Directors.
- 1.2 The Audit Committee must consist of at least 3 independent committees, and at least 1 committee with knowledge and expertise to audit the Company's financial statement credibility.
- 1.3 The Audit Committee must appoint 1 member as Chairman of the Audit Committee.

- **Position Tenure**

The Audit Committee has tenure of 3 years per time. The date for expiration is on the Annual Ordinary Shareholder's Meeting date. Once the position has expired, the person may be considered for reappointment again.

Other than the mentioned case, an Audit Committee position may be discontinued if,

- (1) Resigned
- (2) Lacks properties of an Audit Committee according to this charter
- (3) The Board of Directors reached a conclusion to dismiss the position.

If an Audit Committee would like to resign, a form must be submitted to the Company Chairman. The resignation will have effect from the date the form reached the Company Chairman.

In the case that an Audit Committee resigned or is dismissed before tenure, the Company must immediately notify the SET. The resigned or dismissed Audit Committee may explain the cause to the Securities and Exchange Commission and SET as well if preferred.

In the case that all members of the Audit Committee are dismissed, the former members must remain in act of the position until a new Audit Committee is appointed.

In the case that the Audit Committee is dismissed for other cases than from tenure, the Board of Directors must appoint a person with suitable attributes in replacement to fill the position at the set amount. The replaced committee may remain in the position only for the remaining tenure of the former member.

- **Meetings**

The Audit Committee must hold meetings at least 4 times per year.

In summoning an Audit Committee meeting, the Audit Committee Chairman or Secretary of the Audit Committee by order of the Chairman must notify the Audit Committee members at least 7 days before the meeting date, except in urgent cases which meetings may be appointed by other methods or notified with in a more urgent date.

The Audit Committee should set meeting agendas according to their roles and responsibilities.

- **Quorum**

As for an Audit Committee meeting, at least half of all Audit Committee members set by the Board of Directors must attend in order to form a quorum. If the Audit Committee Chairman is not present at the meeting or cannot perform his/her duties, the attending Audit Committee members must choose a member to be the meeting chairman. Decision making is considered by the majority of votes.

An Audit Committee has 1 vote, except for the case that the Audit Committee is a stakeholder which he/she will not have the right to vote in that issue. If votes are equal the Chairman must cast a vote to reach a conclusion.

- **Responsibilities of the Audit Committee**

1.1 After the Audit Committee received any suspicions raised by the auditors that a Committee, Manager or a person responsible for Company operations might commit an act which violates the Securities and Exchange Act Section 281/2, paragraph two, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313. The Audit Committee must verify and report primary auditing results to the SEC Office and auditors within 30 days from the notification date from the auditor.

1.2 While performing Audit Committee roles, if one finds or is skeptical of these actions which may significantly affect the Company's financial status and operation results, the Audit Committee must report to the Board of Directors to improve and resolve within a timeframe deemed appropriate by the Audit Committee.

(1) Actions that may cause conflict of interest

(2) Corruption or any important faults in the internal control system

(3) Violations of laws regarding Securities and the SET, SET regulations or laws related to the Company's business.

If the Board of Directors or Executives do not carry out any improvements within the Audit Committee's timeframe, an Audit Committee member may report the action to the SEC Office or SET.

- **Remunerations**

Remunerations follow the amount approved by the Shareholder's meeting.

► **Management Committee**

At present, the Company's Management Committee Chairman and Management Committee consists of 6 members as follows,

Name	Position
1. Mr.Thanchart Kitpipit	President of the Management Committee
2. Dr.Littee Kitpipit	Management Committee
3. Mr.Chokdee Wongskeo	Management Committee
4. Ms.Narissara Kitpipit	Management Committee
5. Mr.Somchai Leechawengwongs	Management Committee
6. Mrs.Pimwanitar Jaratpredar	Management Committee

Mrs.Pimwanitar Jaratpredar was appointed as Management Committee on 9 November 2017 in place of Mr.Somkiat Veetrakul.With Mrs.Pimwanitar Jaratpredar as the Secretary to the Management Committee

• **Duties and Responsibilities of the Management Committee**

The Management Committee holds duties and responsibilities as follows,

1. Run and manage the Company's business following laws, objectives and regulations of the Company, resolutions of the Board of Directors and resolutions of the shareholders' meeting.

2. Set missions, visions, policies, strategies, business plans and the budget for the Company and Subsidiaries every year to propose to the Board of Directors for consideration. Duties also include directing the management sector to run business according to the plans effectively and efficiently. Strategic revisions and goals may be revised to apply to the Company's current situation.

3. Accept, support and follow Company regulations, corporate ethics, anti-corruption policies, Public Limited Company Act, B.E. 2535 (1992), the Securities and Exchange Act B.E. 2535 and other associated policies and laws.

4. Appoint Subcommittees and working groups to carry out or administrate Company operations. Determine the authorization, roles and responsibilities of each Subcommittee and/or working group. Also oversee and direct the appointed Subcommittee and/or working group to succeed with policies and set goals.

5. Follow the Company operations to succeed with policies and set goals. Oversee and direct quality and efficient operations.

6. Consider annual budget allocations as proposed by the Management Section before proposing to the Board of Directors to consider and approve.

7. Study the possibility for new projects. Hold authority to approve of auction participation and operate in new projects as deemed appropriate. Perform any related acts until the completion.

8. Approve normal business operations and normal promotional operations of the Company, which the financial amount does not exceed the budget approved by the Board of Directors or the Board of Directors had reached

resolutions to approve in principle. All must follow regulations of the Securities and Exchange Commission of Thailand (SEC), the Stock Exchange of Thailand (SET) regarding transactions and asset acquisition, the Table of Authority approved by the Board of Directors meeting.

9. Consider the profits and losses of the Company, interim dividend payments, and annual dividends to propose to the Board to consider for approval.

10. Set the organization structure, organization administration along to appointing, hiring, rotating, employment terminating, remunerations considering, and bonuses for the staff in the director level from section directors or equal upwards except for the position of Managing Director.

11. The Management Committee may assign one or several director(s) to carry out duties instead of the Management Committee if they are under the control of the Management Committee or an authorization so a person has authority as deemed appropriate by the Management Committee within a time span approved by the Management Committee. The Management Committee may cancel, terminate or change authorizations as deemed appropriate.

12. Carry out operations assigned by the Board of Directors from time to time.

The assigned duties and responsibilities of the Management Committee must not authorize the Management Committee or assigned person(s) to consider and approve issues that they have stake holdings, conflict of interests that may affect the Company or subsidiaries (as defined in the announcements of the Board of Securities and the Stock Exchange of Thailand (SET) and/or Capital Market Supervisory Board and/or the Stock Exchange of Thailand (SET) and/or announcements by other related organizations) The issue must be proposed to the Board of Directors meeting and/or the shareholders' meeting (depending on the case) for approval, except for approving normal business operations along to operations that are normal trade promotions

of the Company, a general trade term which is part of the declarations by the Capital Market Supervisory Board and/or the Stock Exchange of Thailand (SET) and/or related organizations.

- **Configurations of the Management Committee**

The Management Committee consists of,

1. The Management Committee consists of at least 5 members
2. The Board of Directors shall select a Management Committee as Chairman of the Management Committee. The Board of Directors may choose 1 or more as the Management Committee Chairman.
3. The Management Committee Chairman may be the same person as the Managing Director.
4. The Board of Directors Chairman however must not be the same person as the Management Committee Chairman.

- **Attributes of the Management Committee**

The Management Committee must possess attributes as follows,

1. The Management Committee must be a knowledgeable person with beneficial experience towards the Company's business operations. The member must be honest, has ethics in running a business, and has enough time to fully devote knowledge, ability and responsibilities towards the Company.
2. The Management Committee must possess attributes allowed and must not possess any prohibited properties stated by the Public Company Limited law, laws related to securities and SET or any associated laws.

- **Tenure**

1. A Management Committee position will be dismissed in cases of,

1.1 Death

1.2 Resignation

1.3 Lacks properties or has any features prohibited by the law

1.4 The Committee meeting reached a conclusion to dismiss the position

2. If a Management Committee would like to resign, a form must be submitted to the Company. The resignation will have effect from the date the form reached the Company.

3. In the case that a Management Committee position is dismissed, the Board of Directors must select a person with suitable properties to replace.

- **Meetings**

The Management Committee must hold monthly meetings to consider issues as authorized by the Board of Directors. The Committee also considers and scrutinizes issues to propose for approval from the Board of Directors. In summoning an Management Committee meeting, the Audit Committee Chairman or Secretary of the Management Committee by order of the Chairman must notify the Audit Committee members at least 7 days before the meeting date, except in urgent cases which meetings may be appointed by other methods or notified with in a more urgent date.

- **Quorum**

At least half of all Management Committee members must attend the meeting to reach the meeting quorum.

- **Remunerations**

Remunerations follow the amount approved by the Shareholder's meeting.

► **The Risk Management Committee**

At the present, the Risk Management Committee of the Company consists of 3 members as follows,

Name	Position
1. Mr.Chamnan Wangtal	President of the Risk Management Committee
2. Dr. Littee Kitpipit	Risk Management Committee
3. Ms.Narissara Kitpipit	Risk Management Committee

With Mrs.Pimwanitar Jaratpredar as Secretary to the Risk Management Committee

• **Duties and Responsibilities of the Risk Management Committee**

The Risk Management Committee holds duties and responsibilities as follows,

1. Consider policies and risk management guidelines of the Company. This covers several crucial risks e.g. financial risks, investment risks, operational risks in business running, etc. Also assess, follow and revise the ampleness of policies and the risk management system. Consider the efficiency of the system and policy enforcement to propose towards the Board of Directors for approval.

2. Direct, support and overlook risk management towards success. Focus on each risk in a field to appropriately make decisions.

3. Accept and follow Company regulations, corporate ethics, anti-corruption policy, the Act of Public Company Limited B.E.2535, Act of Securities and the Stock Exchange of B.E.2535, along to all related policies and laws.

4. Consider the crucial risks the Company may face e.g. investment risks, management risks, financial risks, information security, the law, rules along to prevention suggestions or methods to decrease any effects from risks to be in an acceptable rate. Follow, assess and improve operations plans to diminish any risks and effects continuously in an appropriate manner to business running.

5. Be acknowledged and provide opinions about follow-ups on the anti-corruption policy enactment as well as collating the risks that may root from corruption. This is to ensure that Company operations are carried out concisely, suitably, modernly and effectively as general standards.

6. Report the results of risk assessment, operations directing, following prevention methods and/or risk management towards the Board of Directors to be regularly updated. In cases when a crucial event may significantly affect the Company's operations or financial status, the Risk Management Committee will report to the Board of Directors to consider and seek for controlling methods and/or risk management methods as quickly as possible.

7. Appoint working groups as deemed appropriate.

8. Follow the Board of Directors directions in issues regarding risk management.

- **Configurations of the Risk Management Committee**

The Risk Management Committee consists of,

1. The Risk Management Committee must be appointed by the Board of Directors.

2. The Risk Management Committee consists of at least 3 members.

3. The Risk Management Committee may appoint 1 Company staff to be The Risk Management Committee Secretary.

- **Attributes of the Risk Management Committee**

The Risk Management Committee must possess attributes as follows,

1. Is a Board of Directors member.

2. Has suitable attributes for setting risk management policies that fully cover the organization as a whole. Oversee and direct to have efficient risk management procedures to control and reduce any risks to the Company's business. This Committee's major role is to define the risks associated with the Company's business operations, set prevention measures and follow upon enactments of the said measures.

3. The Risk Management Committee must possess attributes allowed and must not possess any prohibited properties stated by the Public Company Limited law, laws related to securities and SET or any associated laws.

- **Tenure**

1. The Risk Management Committee is appointed by the Board of Directors with tenure of 3 years per time starting from the appointed date. However, the Risk Management Committee may be appointed again as approved by the Board of Directors.

2. A Risk Management Committee position will be dismissed in cases of,

2.1 Death

2.2 Resignation

2.3 Lacks properties or has any features prohibited by the law

2.4 The Committee meeting reached a conclusion to dismiss the position

- **Meetings**

1. The Risk Management Committee must hold meetings at least 2 times per year.

2. In summoning a Risk Management Committee meeting, the Risk Management Chairman or Secretary of the Risk Management Committee by order of the Chairman must notify the Risk Management Committee members at least 7 days before the meeting date, except in urgent cases which meetings may be appointed by other methods or notified with in a more urgent date.

- **Quorum**

1. At least half of all Risk Management Committee members must attend the meeting to reach the meeting quorum. If the Chairman is absent or cannot carry his/her duties, the attending Risk Management Committee members may select one of the members as the meeting chairman. In reaching a conclusion, the side with majority votes is regarded.

2. One Risk Management Committee has one vote, except for the case of a member being a stakeholder then he/she does not have the right to vote. If both sides are equally voted, the Chairman must cast his/her vote to arbitrate the conclusion in that matter.

- **Remunerations**

Risk Management Committee remunerations follow the amount approved by the Shareholder's meeting.

► The Nomination and Remuneration Committee

At the present, the Nomination and Remuneration Committee of the Company consists of 3 members as follows,

Name	Position
1. Mr.Chamnan Wangtal	Chairman of the Nomination and Remuneration Committee
2. Mr.Peerapong Achariyacheevin	Nomination and Remuneration Committee
3. Mr.Thanchart Kitpipit	Nomination and Remuneration Committee

With Mrs.Pimwanitar Jaratpredar as the Secretary to the Nomination and Remuneration Committee

• The Nomination and Remuneration Committee holds duties and responsibilities as follows,

1. Follow Company policies and supervising organizations

- 1.1 Accept and follow Company regulations, corporate ethics, anti-corruption policy, the Act of Public Company Limited B.E.2535, Act of Securities and the Stock Exchange of B.E.2535, along to all related policies and laws.
- 1.2 Promote and support anti-corruption guidelines and policies. Revise the suitability of the policy, guideline, system and measures to be consistent with changes in policy, declarations, regulations and legal enforcements.

2. Recruitment

- 2.1 Consider the structure, size and components of the Board of Directors to be appropriate towards the organization, business and the environment.
- 2.2 Set up procedures and criteria of recruitment along to attributes of proposed person(s) to be part of the Board of Directors and Managing Director.
- 2.3 Consider to select and choose people with fitting attributes for the Board of Directors and

Managing Director. Propose to the Board of Directors and/or the shareholders' meeting to consider for approval.

3. Remuneration Setting

- 3.1 Set policies and consider the criteria for remunerations both in cash and non-cash for the Board of Directors and Managing Director to be appropriate and fair. Propose to the Board of Directors and/or the shareholder's meeting to consider for approval.
- 3.2 Carry out any operations assigned by the Board of Directors in recruitment and remuneration of Directors and Executives.

4. Committee Knowledge and Ability Improvement

- 4.1 Constantly compose development and training plan about Committee duties and knowledge associated to the Company business for the Committee and Executives to increase their potential and expertise.
- 4.2 Setup a succession plan for Managers and Executives to prepare their potentials to succeed positions in case a Manager or Executive retires, resigns or cannot perform their duties.

- **Configurations of a Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of,

1. The Board of Directors appoints the Nomination and Remuneration Committee .

2. The Nomination and Remuneration Committee must consist of at least 3 Board of Directors members and 1 independent Company Committee.

- **Attributes of a Nomination and Remuneration Committee**

1. Is a Company Board of Director member.

2. Is neutral in recruiting and selecting people for proposal as Board of Directors in place of Board of Directors retired due to rotation or other cases. Prepare ample information of the person for the Board of Directors to consider.

3. Has wide vision, regularly follows changes from Company operations to improve the remuneration criteria.

4. Can perform their duties, freely express opinions and report operation results as assigned.

5. The Nomination and Remuneration Committee must possess attributes allowed and must not possess any prohibited properties stated by the Public Company Limited law, laws related to securities and SET or any associated laws.

In the case that all the Nomination and Remuneration Committee has retired, they must still act upon their former positions until a new Nomination and Remuneration Committee is appointed.

In the case that a Nomination and Remuneration Committee position is vacant due to other causes than rotation, the Board of Directors must appoint a qualified person in place of the vacant Nomination and Remuneration

Committee position to reach the amount of members set by the Board of Directors. The newly appointed person may remain in the position only for the left/remaining term of the former position.

- **Tenure**

1. The Nomination and Remuneration Committee is appointed by the Board of Directors, has 3 years tenure per time from the appointed date. However, the Nomination and Remuneration Committee may be reappointed as approved by the Board of Directors.

2. The Nomination and Remuneration Committee position is vacant in cases of,

2.1 Death

2.2 Resignation

2.3 Lacks attributes and possesses prohibited properties as determined by the law

2.4 The Board of Directors reached a conclusion to dismiss the position

- **Meetings**

A Nomination and Remuneration Committee meeting is summoned when a Board of Directors or MD position has to be nominated, or remuneration issues must be considered.

In summoning a Nomination and Remuneration Committee meeting, the Nomination and Remuneration Committee Chairman or Secretary of the Nomination and Remuneration Committee by order of the Chairman must notify the Nomination and Remuneration Committee members at least 7 days before the meeting date, except in urgent cases which meetings may be appointed by other methods or notified with in a more urgent date.

The Nomination and Remuneration Committee should set meeting agendas according to their roles and responsibilities.

- **Quorum**

In a Nomination and Remuneration Committee meeting, at least half of all Nomination and Remuneration Committee members must attend to consider as a meeting quorum. If the Chairman is absent or cannot carry his/her duties, the attending Nomination and Remuneration Committee members may select one of the Nomination and Remuneration Committee as the meeting chairman. In reaching a conclusion, the side with majority votes is regarded.

One Nomination and Remuneration Committee has one vote. Except for the case of a member being a stakeholder then he/she does not have the right to vote. If both sides are equally voted, the Chairman must cast his/her vote to arbitrate the conclusion in that matter.

- **Remunerations**

The Nomination and Remuneration Committee remunerations follow the amount approved by the Shareholder's meeting.

► **The Managing Director**

The Board of Directors meeting of 4/2016 reached the conclusion to appoint Dr. Littee Kitpipit in the position of the Company's Managing Director in place of Mr. Thanchart Kitpipit, having effect from 7 November 2016 onwards.

- **Duties and Responsibilities of the Managing Director**

The Managing Director has duties and responsibilities as follows,

1. Overlooks, administrates, and carries out the Company's normal operations to follow objectives and rules of the Company along to resolutions, policies, operation plans and the budget approved by the Board of Director's meeting and/or the shareholders' meeting within related laws and authorities set by the Board.

2. Control and direct business and/or administrates daily duties within the Company.

3. Compose and draft business policies, business plans, goals, business strategy, the annual budget for business running, the annual budget for the annual report along to set administrative authorization to propose to the Management Committee and the Board of Directors.

4. Receive policies set by the Board of Directors to determine business directions, paths, strategy and goals to set the main mission for the administrative section and management section to carry out.

5. Accept and follow Company regulations, corporate ethics, anti-corruption policy, the Act of Public Company Limited B.E.2535, Act of Securities and the Stock Exchange of B.E.2535, along to all related policies and laws.

6. Control, audit and follow operations of the administrative and management section. Propose problem prevention and improvement methods for directors and the management section to follow strategies and business plans to contribute to the policies of the Company.

7. Follow and assess operational results of the administrative section and management section. Report all findings and advancement to the Management Committee, the Audit Committee and the Board of Directors regularly.

8. Issue commands, rules, announcements and memorandums to ensure that the Company's operations follow policies, agree to interests of the Company in order to maintain rules and order within the organization.

9. Set the organization structure and administrative methods that cover details of selecting, recruiting, training, employing and employment terminating of the Company. Set salaries, remunerations, bonus and welfares for employees.

10. Has authority to appoint and withdraw Company employees in positions lower than the Managing Director.

11. Consider normal business financial transactions for approval. Carry out operations that promote normal business operations of the Company which has general trade circumstances within the budget approved by the Board of Directors and/or the Management Committee or as the Board of Directors and/or the Management Committee has reached resolutions in predetermined criteria under the regulations of the Securities and Exchange Commission of Thailand (SEC), the Stock Exchange of Thailand (SET) regarding transactions and asset acquisition, the Table of Authority approved by the Board of Directors meeting.

12. Promote and support anti-corruption guidelines and policies. Take responsibility in determining a system, support anti-corruption enactment, communicate to staff and related persons in all organizations, and revise the suitability of the policy, guideline, system and measures to be consistent with changes in policy, declarations, regulations and legal enforcements.

13. Carry out other duties assigned by the Management Committee or the Board of Directors from time to time.

Note that in carrying out any operations as Managing Director or an authorized representative of the Managing Director, persons that may have conflicts of interest (according to the definition in the announcements by the Capital Market Supervisory Board and/or the Stock Exchange of Thailand (SET) and/or related organizations) have stake holding, conflict of interests with the Company and/or subsidiaries and/or companies, the Managing Director has no authority to approve. The issue must be proposed towards the Board of Directors and/or the shareholders' meeting (depending on the case) to approve. Except for approving normal business operations and normal trade circumstances as declared by the Capital Market Supervisory Board and/or the Stock Exchange of Thailand (SET) and/or related organizations.

The Nomination and appointing of Committee members and High Executives

The Shareholder's meeting shall vote for Committee members with attributes that aren't prohibited by the law. The person must not possess any properties that may bring suspicions of credit to the Public Company Limited with the public as the shareholders following regulations by the Securities and Exchange Commission. The Board of Directors must consist of at least 5 members, with at least 1/3 independent committees from the total amount. At least one half of all the members must reside in Thailand. Committee members may hold Company shares.

In case of a vacancy from other causes than rotation, the Committee must select a person with suitable attributes to be a Committee for the next meeting, with a vote of at least $\frac{3}{4}$ of the remaining Committee, except in the case that the member's tenure is lesser than 2. The replacing Committee may stay in the position for the remaining tenure of the former person.

In every Ordinary Shareholder's meeting, 1/3 committees must retire due to rotation. If a 1/3 division isn't possible, the number nearest to 1/3 will be used. If a Committee wishes to resign, he/she must submit a resignation form. The resignation will have effect from the day the form reached the Company.

The Nomination and Remuneration Committee has duties in recruiting and selecting person(s) with appropriate attributes by considering from each of the Committee's charters before proposing towards the Board of Directors for nomination or for approval from the shareholders' meeting, according to Company rules. The Nomination and Remuneration Committee has rules and regulations in recruitment and appointment for Directors and Independent Director as follows,

► **Criteria for recruitment and appointment of Directors and Independent Directors**

To ensure that the recruitment and nomination process of the Board of Directors are carried out in an orderly and transparent way, following Good Corporate Governance, the Board of Directors has appointed 3 Nomination and Remuneration Committee members to recruit and appoint directors when a position of Company director is vacant, or a director must resign due to rotation. The recruitment committee must recruit and choose appropriate person(s) to propose as a Director by defining attributes for recruitment and appoint Directors and Independent Directors as follows,

Recruitment and Nomination

Consider people with attributes that will thoroughly benefit the Company's business. All procedures must be transparent as follows,

- Consider by giving both major and minor shareholders an opportunity to propose persons with attributes appropriate for being Director.
- Have attributes required by the law and related rules and regulations e.g. the Public Company Limited Act, rules of the Company along to Good Corporate Governance.
- Follow rules of recruitment by the Board of Directors of the Stock Exchange of Thailand (SET).
- Emphasizes on people who are skillful, professional, experienced in diverse ways. Proposes for positions that are vacant and is necessary towards the Company's business growth without discriminating gender, race or any diversities so that the Directors are complete and works for the Company's highest interests.
- Consider from stake holding and conflict of interests, especially for Independent Director positions.

The Board of Directors

1. To propose a new Board of Director, consider the following attributes,

- Possess attributes allowed by the law and related rules and regulations e.g. the Public Company Limited Act, rules of the Company along to Good Corporate Governance.
- Be a knowledgeable and experienced professional in the vocational field that shall benefit working and duty performance of a position.
- The necessity towards the management structure. Consider the missing positions and skills required. Consider the skill matrix in engineering, law, finance, accounting, economy, stability and administration skills to integrate the knowledge to benefit the Company's operations.
- **Consent from the proposed person.**

2. To propose the same Board of Director, consider these following attributes

- Working results in the past years
- Beneficial opinion suggestions
- Time dedication to the organization
- Activity participations of each director

Independent Director

In selecting and proposing to appoint an Independent Director, the number of Independent Directors in the Board of Directors must follow rules regulated in the Stock Exchange of Thailand (SET).

In the case that a director must be replaced from causes other than rotation, the Nomination and Remuneration Committee must recruit a person with appropriate attributes to propose to the Board of Directors. At least ¾ of the remaining Board members must approve

of the person. The newly appointed person's tenure is equal to the remaining venue of the former person.

Managing Director

The Board of Directors 3/2014 meeting, on 4 December 2014 reached a resolution to approve the Managing Director recruitment policy as follows,

In recruiting a Managing Director, the Nomination and Remuneration Committee must consider and select a person who has required attributes, is knowledgeable and has skills and experience that shall benefit the Company's operations. He/she must well understand the Company's business nature and must administrate the operations to meet the objectives and goals determined by the Board of Directors. The Committee must then propose the person to the Board of Directors to consider for approval.

► Remunerations for the Directors and the Board of Directors

(1) Director's Remunerations

- Cash Remunerations

The ordinary shareholder's meeting of 1/2015, held on 28 April 2015 had approved remunerations of the Board of Directors, the Audit Committee, the Risk Management Committee and the Nomination and Remuneration Committee as follows,

- Directors who are not member of the Board of Directors

- a) Meeting Reimbursements (only those who attended)

(THB)	The Board of Directors	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee
Meeting reimbursements (THB) / time				
• Chairman	30,000	22,500	15,000	15,000
• Director	18,000	18,000	10,000	10,000

- b) Quarterly Remunerations

(THB)	The Board of Directors	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee
Meeting reimbursements (THB) / time				
• Chairman	120,000	80,000	-	-
• Director	64,000	64,000	-	-

If one of the Board of Directors holds an Audit Committee position, that person may choose either to receive either one: quarterly remunerations as the Board of Director or Audit Committee.

- Board of Director Positions

The Management Committee including the Board or Company employees will not receive meeting reimbursements and quarterly remunerations in the position of the Board of Directors including other sub-committees but may receive remunerations in pensions following the Board of Directors' approval.

- c) Directors' annual bonus

-none-

The details of the remunerations payment to directors in 2017 are as follows,

Name	Meeting Reimbursements					Remunerations	Total
	The Board of Directors	The Audit Committee	The Management Committee	The Risk Management	The Nomination and Remunerations and Committee		
1. Dr.Thanong Bidaya							
Chairman of the Board of Director/ Independent Director	120,000	-	-	-	-	480,000	600,000
2. Mrs.Kannika Ngamsopee							
Independent Director/ Chairman of the Audit Committee	108,000	85,500	-	-	-	310,756	504,256
3. Mr.Chamnan Wangtal							
Independent Director/ Audit Committee/Chairman of the Risk Management Committee/Chairman of the Nomination and Remuneration Committee	108,000	76,500	-	30,000	45,000	265,244	524,744
4. Mr.Peerapong Achariyacheevin							
Independent Director/ Audit Committee/Nomination and Remuneration Committee	72,000	54,000	-	-	30,000	256,000	412,000
5. Mr.Vichien Ussanachote							
Independent Director / Audit Committee	90,000	72,000	-	-	-	256,000	418,000
6. Mr.Thanchart Kitpipit							
Director/ Chairman of the Management Committee/Nomination and Remuneration Committee	-	-	-	-	-	-	-
7. Dr.Littee Kitpipit							
Director/ Managing Director Director/ Risk Management Committee	-	-	-	-	-	-	-
8. Mr.Chokdee Wongskeo							
Director/ Management Committee	-	-	-	-	-	-	-
9. Ms.Narissara Kitpipit							
Director/ Management Committee/ Risk Management Committee	-	-	-	-	-	-	-
10.Mr.Somchai Leechawengwongs							
Director/ Management Committee	-	-	-	-	-	-	-
11.Mrs.Pimwanitar Jaratpreedar							
Director/ Management Committee							
Total	498,000	288,000	-	30,000	75,000	1,568,000	2,459,000

Conclusions of the remunerations payment to directors who are not member of the Board positions from 2014–2016 are as follows,

	2017	2016	2015	2014
Meeting reimbursements	891,000	642,000	837,000	798,000
Quarterly remunerations	1,568,000	1,474,462	1,312,000	1,312,000
Bonus	-	-	-	-
Total	2,459,000	2,116,462	2,149,000	2,110,000

- Non-Cash Remunerations

The shareholder's extraordinary meeting of 8/2012 had resolutions to approve the capital increase of the Company of 100.00 million THB from the original amount of 350.00 million THB to 450.00 million THB by issuing 1.00 million ordinary shares at the price of 100.00 THB per share to propose and sell to former shareholders.

As for this capital increase, Mr.Thanchart Kitpipit, major shareholder of the Company gave rights to the Board, directors and employees in reserving to purchase newly issued ordinary shares of the Company at no value. The major shareholder of the Company gave cash equal to the value of the newly issued ordinary shares to the Board, directors and employees. Those had an agreement with the major shareholder to not trade the shares within 2 years starting from the date that the shares of the Company had been listed on the Stock Exchange of Thailand (SET). The Company listed its shares on the Stock Exchange of Thailand (SET) on 23 February 2015. On 31 December 2017, the shareholding ratios of the Board and Directors have details as follows,

Shareholder	Shares held (shares)	Shareholding ratio (%)
1. Dr.Littee Kitpipit	10,000,000	0.83
2. Ms.Narissara Kitpipit	10,000,000	0.83
3. Mr.Chokdee Wongskeo	1,000,000	0.08
4. Mr.Somchai Leechawengwongsri	800,000	0.07
5. Dr.Thanong Bidaya	400,000	0.03
Total	22,400,000	1.88

(2) Board of Director's Remunerations

In the accounting year, ended on 31 December 2014–2017, the Company had paid remunerations to the Board of Directors (excluding the Accounting Manager and Financial Manager) with details as follows,

	Director's Remunerations (THB) of the year, ended on			
	31 December 2017	31 December 2016	31 December 2015	31 December 2014
Amount (persons)	6	7	7	7
Salary	20,780,089.03	18,390,000	17,772,000	16,950,000
Bonus	3,000,250.00	1,643,750	1,680,000	2,700,000
Provident funds	870,477.45	367,800	345,240	296,400
Other interests e.g. social securities	62,250.00	63,000	65,250	63,000

- Non-cash remunerations

Mrs. Juthamas Singhakeao is a director who does not have the rights from the major shareholders of the Company in reserving and purchasing newly issued ordinary shares of the Company with no value. Major shareholders of the Company had given the same amount of cash as the value of the newly issued ordinary shares that is given to the mentioned director. She will make an agreement with the major shareholder, with a trade prohibition time span of 2 years starting from the date that the shares of the Company had been listed on the Stock Exchange of Thailand (SET). The Company listed its shares on the Stock Exchange of Thailand (SET) on 23 February 2015.

SCN Good Corporate Governance

The Company concerns and emphasizes on the significance of the Good Corporate Governance, as it indicates the effectiveness, transparency, and auditability of the management system. Good Corporate Governance shall strengthen the confidence and gain trust among shareholders, stakeholders, and all persons of interest, as it is the tool which helps increase value and support the Company towards sustainable growth. In this regard, the Company has taken The Principle of Good Corporate Governance for Listed Companies 2012, regulated by The Stock Exchange of Thailand (SET) covering five main

parts as follows;

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Responsibilities of the Committee

In 2018, the Company will propose the Committee members to apply the 2017 Good Corporate Governance for listed companies for usage as a guideline for all to follow. This shall cover changed factors, and clarify the roles of Company Committee members and the Management sector, etc.

Rights of Shareholders

The Company emphasizes the importance of shareholder rights. The Company operates to ensure that shareholders will be able to fully use their rights which are trading shares, transferring shares, receiving part of the business profit, receiving ample information and news of the business, participating in meetings to use their rights in appointing or removing committee members, appointing auditors and other issues that may affect the Company such as dividend allocation, setting or editing conditions, regulations, memorandums, increasing or decreasing capital, approving special programs, etc. by setting guidelines as follows,

(1) Shareholders' meeting

- In order to grant shareholders with an opportunity study the Company's information related to the shareholder's meeting, the Company shall send the meeting invitations and any other documents related to the shareholders at least 7 days (or the amount of days according to the law) before the meeting. Within the meeting invitation, information on meeting date, time, location and agendas with an explanation and reason of each agenda, or to support the reason

of approval alongside opinions of the Board of Directors, proxy forms, lists of independent directors to be appointed as shareholders' proxies for the meeting. The Company shall facilitate the participation of shareholders in attending and voting and avoid any actions that restrict the opportunity or attendance of shareholders in the meeting. Voting procedures for the election of directors should not be overly sophisticated or costly. The meeting venue is conveniently accessible and can accommodate all shareholders. The Company gives opportunities for shareholders to submit their questions to the Company in advance the meeting, by clearly setting a condition and notifying all shareholders to be informed about advance question submission rules. The notification shall be sent alongside the meeting invitation. Moreover, the Company also has posted these rules upon the corporate website.

- In case that a shareholder is unable to attend a meeting, the Company allows them to authorize independent directors or other persons to attend instead by filling in proxy forms which enclosed along with the meeting invitation.

(2) Actions on the shareholders' meeting date.

- The Company supports the directors to attend the meeting with the shareholders to answer any questions that may be raised.
- In a shareholder's meeting the Company will separate each issue in the case that an agenda has multiple sub-agendas e.g. appointing directors
- The Company will ask independent persons to count or check votes in a shareholder's meeting and shall reveal to the meeting to be noted onto the meeting minutes.
- The Company provides voting cards for important agendas e.g. transactions, asset allocations or selling transactions for transparency and auditable reasons in case any conflicts may occur afterwards.
- The meeting president shall arrange meeting time to be appropriate and support shareholders in sharing their opinions and questioning any issues related to the Company.

- (3) Producing meeting minutes and disclosing the meeting conclusion from the shareholder meeting.

After a shareholders' meeting, the Company shall produce the meeting minute which will include the details, agendas, meeting conclusions, voting results, questions, issues or opinions raised in the meeting minutes so that shareholders may recheck. The meeting minutes shall be published onto the corporate website within 14 days from the meeting day. A list of attendees and absent directors shall also be included.

The Company has a policy of supporting and providing convenience to shareholders and institutional investors in attending the shareholders' meeting. The Company chose a meeting venue that has convenient and ample transportation methods so that the shareholders may travel easily to the meeting venue. The Company also provides registration channels at the meeting place in both normal people and institutional investors by using barcodes in the registration and voting process so that the process runs swiftly. The Company also provides revenue stamps for shareholder's proxies for their convenience.

Equitable Treatment of Shareholders

The Company has equitable treatment toward all shareholders at all levels, executives, non-executives, institutional investors, major or minor shareholders, including foreigners regardless of the amount of shares. The Company has set treatment practices toward shareholders as follows,

- Facilitate minor shareholders by giving an opportunity to propose meeting agendas before the date of a shareholder's meeting in order to demonstrate the transparency and equity in deciding whether agendas proposed by minor shareholders should be included or not.
- Facilitate minor shareholders by giving an opportunity to propose a Company director by sending information regarding a candidate's qualifications and a letter of the candidate's acknowledgement to the Chairman 3 months before the meeting date.
- Shareholders who are executives will not add any meeting agendas beforehand without any necessity, especially in agendas that require time for shareholders to study and decide.
- The Board of Directors will give shareholders an opportunity to individually nominate directors.

- The Board of Directors will guideline data storage to ensure the security of internal literate data. These guidelines will be notified to all people within the organization to follow. It is also compulsory that all directors and executives have to inform their securities according to the law by routinely sending that report to the Board of Directors and to disclose in the annual report.
- Directors who are significant stakeholders who may influence the Board of Directors to be unable to freely express their opinions should refrain from participating in that meeting agenda.

The Company has given an opportunity to shareholders to propose meeting agendas and directors to replace formers directors who will expire from rotation before the meeting. The details are published via the official corporate website at www.scan-inter.com and via the Stock Exchange Market channel on November 17, 2017. However, by the end date of December 31, 2017, no shareholders had proposed any nominations.

Roles of Stakeholders

The Company concerns the importance of the Company's stakeholders' rights. Stakeholders include shareholders, customers, trading partners, employees, community, society and environment. Therefore, the Company has set policies to treat such stakeholders in accordance with the laws or any agreements stakeholders made with the Company. The Company must not do any actions that violate the rights of those stakeholders and also set up compensation measures for stakeholders in case they are affected by the infringement. The policy and action measurements toward stakeholders may be classified into groups as follows;

(1) Shareholders

The Company shall equally treat all shareholders in defending their interests, not violating or diminishing their rights and promise to ensure their highest satisfaction by keeping in mind the Company's sustainable growth and to create added value, continuously provide appropriate compensations and exercise the principles of good corporate governance.

(2) Employees

- Treat employees at all level equally and ethically in opportunities, compensations, benefits, potential development including providing provident funds for employees
- Maintain the working environment to be safe for their lives and property.
- Appointments, transfers, compensations and punishments towards employees should be fair and can be measured under the rules set by the company.
- Listening to opinions and recommendations of employees based on their professional knowledge.
- Strictly follow the laws and regulations related to employee employment.

(3) Clients/Customers

- Aim to provide customer satisfaction and confidence by caring and being responsible towards clients and customers. The Company shall make sure that customers receive good, safe, quality products and services with reasonable prices and great standard.

- Follow conditions and agreements with clients or customers strictly. Develop and heighten the standards of products and service to maintain a good partnership relation with the client or customer.
- Keep the confidentiality of clients or customers by not using information for personal or related benefits.
- Provide ample information and news so clients and customers are updated with accurate knowledge of the Company without over-selling or stretching the truth to make clients or customers misunderstand the conditions or quality of the Company's products and services.

(4) Trade partners and/or creditors

- Consider the equity, fairness, ethics, and honesty in conducting business by considering the Company's highest interests on a basis that both parties share fair returns.
- Act upon conditions that were agreed. In such cases that a condition may not be met, creditors must be informed beforehand in order to find a solution to the problem.

(5) Competitors

- Act beneath the rules and laws of good competency.
- Not gaining confidential information of trade competitors by dishonest or inappropriate means.
- Not discriminating others to join business competencies, not accusing competitors to discredit them.

(6) Community, society and environment

The Company has a policy of operating business with responsibilities towards the community, society and environment in issues of safety, life quality, natural resource reserving, supporting efficient energy consumption along to life quality of the community and the society.

The Company has a policy of reporting the committee's stake holding. Committee members and executives must report their stake holding, and persons related to the company or subsidiaries' stake holding to the Chairman or Audit Director within 7 working days since the Company had received the report as to follow the Act of Assets and Securities B.E.2535 and to use the information in auditing and preventing conflicts of interests.

Information Disclosure and Transparency

The Company has set a policy to disclose important information related to the Company's financial and non-financial information in a correct, complete, timely, transparent manner. These shall be revealed through channels that are easy to access, equal to all and creditable as stated in the regulations of the Office of the Securities and Exchange Commission and the Securities Exchange of Thailand as follows,

- 1) The Board of Directors shall conduct a protocol in order to ensure that the information disclosed to investors are correct, reliable, and adequate for the investors' effective decision making.

- (2) Aside from the information publicized through the channels of the Securities Exchange of Thailand, which are Annual Registration Statement (Form 56-1) and Annual Report etc., the Company also disclose those reports, both in Thai and English via other channels such as SCN official website as well. In the SCN website, the contents for investors shall be regularly updated and included with all important details as regulated by The Principles of Good Corporate Governance for Listed Companies 2012 by the Securities Exchange of Thailand.

- (3) The Board of Directors will produce the article of Management Discussion and Analysis (MD&A), to be publicized with the financial report every quarter for investors to be informed the change of the Company's operating results and financial status aside from the numeral data in the financial report.
- (4) The Company has formulated a policy to prevent and eliminate potential conflicts of interests that may occur. All transactions and/or business transactions that may lead to any conflicts of interest have to be in accordance with the laws. The Company shall manage to be sure that Directors, Executives and/or major shareholders of the Company (depending on the case) don't conduct similar businesses which will compete against each other and will decrease the Company's competency ability. Also, any other transactions in such a way that there are other

benefits that may conflict with the best interests of the Company or its subsidiaries, conducted by directors, executives, and/or major shareholders (on a case by case basis) must be reported to Company. In case the Directors, Executives, and/or major shareholders hold shares of other companies that have similar business operating objectives as SCN and its subsidiaries, the Audit Committee will inspect and consider whether each case causes the conflict of interests or not.

- (5) The Company emphasizes the importance of good internal control and has set up an internal investigation department to monitor operations of each division, prevent any errors that may occur and for the sake of transparency by checking from time to time while filing reports to the Audit Committee.

Responsibilities of the Board and Sub-Committees

(1) The Board of Directors

The Board of Directors consists of diverse individuals that are qualified in skills, knowledge, ability and experience that will enable benefits towards the Company. These people have responsibilities in determining policies and the overall image of the organization. Their roles also include directing, checking and assessing operational results of the Company according to the plan. Their roles also include ensuring that Company operations follow laws, rules, regulations and resolutions of the meeting of shareholders transparently, morally, and according to the codes of business conducting. Their roles also include directing the administrative section to follow the goals and models that have been predetermined for the highest benefits of the Company and shareholders.

The Company also has literately written the responsibilities and duties of the Board of Directors, Sub-Committees and the Managing Director to provide a clear guideline of the responsibilities and duties of each set of committee for reasons of transparency and consideration efficiency.

(2) Sub-Committees

- Audit Committee

Oversee and examine the performance of the Company to assure that the Company operation remains great functioned and transparent for the great benefit of all shareholders. The audit committees follow their scope of roles and responsibilities of the audit committees in accordance with the audit committee charter

- **Management Committee**

Responsible for conducting the company's operation focusing on SCN visions, missions, targets and business strategies, and controlling all the operations as assigned by the Board of Directors.

- **Risk Management Committee**

Responsible for considering and filtering policies and risk management methods of the organization along to seeing that risk management methods conforming with business strategies and goals including changing circumstances.

- **Nomination and Compensation Committee**

Responsible for considering the criteria and the nomination process of personnel who are appropriate for taking director to executive positions. Roles also include the sourcing according to a predetermined process before nominating the candidates to Company Directors or the meeting of shareholders to appoint. Other than this, the Nomination and Compensation Committee also has to determine an appropriate compensation package for a committee member and executives to reflect their ability to conduct business to reach the goals.

(3) Roles and Responsibilities of the Board

The Company regulates the directors to follow the Code of Best Practice for Directors of Listed Companies regulated by the Securities and Exchange of Thailand. The director must understand and acknowledge their duties and responsibilities and must follow the laws, regulations, objectives of the Company and resolutions of the meeting of shareholders, committee charter along to the policy of directing and monitoring company operations with honesty and concerning the Company's and shareholders' highest

benefit. The Board shall state the policies, goals, business plans along to Company budget and directing the administration section to act according to the policy, plan and budget both effectively and efficiently for the Company's and all shareholder's highest extent.

(4) Board of Directors' Meetings

The Company follows the Act of Public Companies Limited B.E.2535 (including the editing) and Company regulations. Company regulations include sending meeting schedules and meeting agendas in advance and informing each member of the schedule by sending meeting documents to members at least 5 days before the meeting.

As for the number of times for the Board's meeting, this shall be considered with the duties and responsibilities of the directors and business operations, but shall not exceed 6 times per year.

(5) Self-Assessment of the Board

After the Company had been listed on the Securities and Exchange of Thailand, the Board shall hold whole assessments at least once every year. This is to assess operational results within the previous year and to indicate if any problems occurred so they may be solved for the Board in further years to come.

In 2016 – 2017, the Nomination and Compensation Committee had set an assessment form for the Board. The Corporate Secretary distributed and accumulated all from the Committee to compose a report for consideration by the Board. The assessment form included the following factors,

1. Structure and Qualifications of the Directors
2. Roles, Duties and Responsibilities of the Directors
3. Board of Directors' Meeting
4. Functions of Directors
5. Relationship with the Management Sector

6. Self-development of the Directors and Executives

The conclusion from the Board Assessment proved to be in the excellent level.

(6) Compensation

The compensation for directors must be considered and approved from the meeting of shareholders by considering these following criteria,

- 1) Company operational results compared to the compensation rate of directors of a listed company in Securities and Exchange Thailand that has similar businesses and share the same company size
- 2) Experience, roles, duties and responsibilities of each director
- 3) Benefits that the Company anticipates from each directors
- 4) The Compensation rate must be attractive to directors who possess appropriate qualifications to the essentialities and the situation of the Company

The Nomination and Compensation Committee are the ones who consider the compensation to pass on for approval from the Board, before passing on for voting of approval from the annual general meeting of shareholders.

(7) Developing directors and executives

The Board has a policy of supporting and providing knowledge for directors in important legal issues for working in a listed company and good corporate governance along to the audit committee, executives and training to continuously improve operations. In cases that a director has changed or a placement has been made, the administration sector shall provide them with helpful documents and information for the position and an introduction of the business and the directions of the Company's operations for the new member.

In 2017, the Company was sponsored so Committee members could participate in the training and seminar with the Stock Exchange of Thailand, Securities and Exchange Commission and the Thai Institute of Directors Association about an affiliated curriculum including; an orientation for new committee members, a visit to study the manufacturing, trading along to other management methods necessary for running a business.

(8) Internal Control

The Board has set a system that should control internally in financial and operational sectors to follow the laws, consistent regulations and ensures that an auditing and balancing mechanism is efficient enough to ensure the safety of the Company asset at all times. A hierarchy of approval and responsibility of executives and employees also have a checking and balancing system. Regulations are literally written with outside organizations to check internally. These check-ups are following the pre-determined laws including affectivity and sufficiency assessments within sectors of the Company, direct to the Audit Committee.

(9) Supervision of internal information usage

The Company has set a policy of using the Company's information according to the Policy of Internal Information Usage.

(10) Annual Reports

The Board is responsible for composing the Company's financial report and financial information that appeared in the annual report as the standard of general accounting. The Company chooses appropriate and regular accounting policies, careful consideration in composing and ample information revealing in the footnotes of a financial statement. The Board assigns the Audit Committee to supervise the quality of the financial statement and to reflect their opinions to the Board.

The Supervision of Subsidiaries' Operations

The Company has a policy of investing in businesses related to its main business, which the Company foresees shared benefit or to support Company operations as a way to increase revenue and profit gain of the Company. However, the Company has managerial mechanisms and accountability of the subsidiaries and associate companies' operations as follows,

- The Company will appoint representatives from the Company to join in managing subsidiaries as directors, selected by the proportion of shareholdings. As the representatives of the Company, they have to attend the meeting as one of shareholders and are responsible for voting in the meeting according to the direction that the Board of Directors has considered. Also, the representatives are responsible for overseeing the operations of subsidiaries and associate companies to advance in the right direction and gain the highest benefits to the Company as a whole.
- The representatives appointed by the Company will supervise the subsidiaries and associate companies to follow the regulatory notices, and rules concerning the connected transactions and/or any other significant transaction of such companies to be accurately completed.

- The representatives appointed by the Company will supervise information storage and accounting records of subsidiaries and associates to be able to be audited and consolidated to make the consolidated financial statements punctual.
- Moreover, the Company will continuously follow up on operating results of the subsidiaries and associates and will present the analysis results, express opinions or suggestions to the Board of Directors and Sub-Committees of the subsidiaries for the consideration of the Board towards policy formulation or improvement of the business for sustainable growth.

The Company oversees its subsidiaries in connection with related transactions, acquisitions or dispositions of assets, or any other significant transactions of such subsidiaries to be accurately completed. Also, the Company applies the rules related to disclosure and the above transactions in the same way as the company rules used for subsidiaries including oversight of information storage, accounting records to be accurately completed and present the analysis results, express opinions or suggestions to the Board of Directors and Sub-Committees of the subsidiaries for the purpose of policy making or improvement of the business to be developing and growing continuously.

In 2017, the Company has no agreement with other shareholders in supervising subsidiaries and associate companies.

Internal Information Disclosure Supervision

The Company is aware about the necessity of using internal information according to Good Corporate Governance. The reason is for transparency and prevention of gaining personal benefit from using the Company's internal information that has not been disclosed to the general public. There is a strict policy and practice for the management of internal information. Such measures include, only persons related to the report or assigned persons may acknowledge. A penalty exists for those who violate the measures and policies.

The Company has set a policy for internal information usage as follows,

1. Directors, the Board of Directors, and persons who hold administrative accounting & finance positions equal to or above must compose and send a report of asset holdings of themselves, their spouse, and minors to the Corporate Secretary to send to the Securities and Exchange Commission of Thailand (SEC) within 30 days from appointment as the Director or Board along to report any changes in asset holding within 3 days from the date of the acquisition, purchase, transfer, or asset reception.
2. Directors, the Board of Directors, and persons who hold administrative accounting & finance positions equal to or above and all related officers who receive significant internal information that affects the change of stock prices must omit from selling or purchasing the Company's stocks during the period before the disclosure of the financial statement or the disclosure of financial status of the Company until the Company has already disclosed the information to the general public. The Company shall notify the Directors and the Board of Directors along to administrative levels equal to accounting and finance in the management level or above to omit from purchasing or selling

the Company's stocks literally for at least 30 days before the public information disclosure and should wait for at least 24 hours after the information disclosure to the general public and must not reveal all disclose any significant information to other persons.

3. Apart from Directors, the Board of Directors, and persons who hold administrative accounting & finance positions equal to or above, the Company also has rules and regulations for employees and officers of the Company to maintain confidential information and/or internal information without revealing or disclosing the information for personal interests or to other people both directly or indirectly, whether or not they will receive any forms of benefits. They must not purchase, sell, transfer, or receive any of the Company's stocks by exploiting confidential information and/or internal information and/or commit any acts that may damage the Company either directly or indirectly.
4. Penalties for those who exploit internal information for personal interests may include verbal warnings, written warnings, wage-cutting, asking to be on leave without wages or forced resignation according to the law. Penalties will be considered by the intention of the acts and the severity of the wrongdoing.

All Directors and Board positions of the Company are aware of their duties and responsibilities towards internal information and will not exploit for personal benefits. All Directors and Board of Directors must report their asset holding towards the Securities Exchange Commission of Thailand (SEC) following Act 59 of the Securities and Stock Exchange B.E.2535 within three days after changes of asset holding by notifying the Corporate Secretary to compose a change memorandum and to individually conclude the assets of the Director and the Board.

Auditor's Fee

The Company paid the audit fee to Pricewaterhouse-Coopers ABAS Co., Ltd. for examining the Company and its subsidiaries' financial statements and compliance audit of the BOI rules for the fiscal year ended December 31, 2015 2016 and 2017. The audit fee of the Company and its

subsidiaries' financial statements are 3,030,000 THB 3,900,000 THB and 5,300,000 THB and the compliance audit by the conditions of BOI for 2015 2016 and 2017 are 50,000 THB 50,000 THB and 100,000 THB

SCN and its subsidiaries	2017	2016	2015
Audit Fee	5,300,000	3,900,000 ⁽²⁾	3,030,000 ⁽¹⁾
The BOI Compliance Audit Fee	100,000	50,000	50,000
Other Services	None	None	None
Total	5,400,000	3,950,000	3,080,000

2015 The audit fee was approved at the annual general meeting of shareholders 2015 in amount of 2,650,000 THB and executive committee approved the additional auditing fee of 380,000 THB for producing the Company's consolidated financial statements. During the year, the Company acquired three additional gas stations for motor vehicles, namely 1.BP Intertrade Co., Ltd. 2.Kaokong Petroleum Co., Ltd. and 3.Worapong Co., Ltd. Total amount of audit fee was 3,030,000 THB.

2016 The audit fee was approved at the annual general meeting of shareholders 2016 in amount of 3,200,000 THB and the executive committee approved the additional auditing fee of 700,000 THB for composing the Company's

consolidated financial statements. During the year, the Company acquired four additional gas stations for vehicles, namely 1. Kaocharoen Logistics Co., Ltd. 2. NT Energy Gas Co., Ltd and 3. Aimmy NGV Co., Ltd. 4. Nampong NGV Co. Ltd. Total amount of audit fee was 3,900,000 THB.

2017 The audit fee was approved at the annual general meeting of shareholders 2017 in amount of 5,300,000 THB.

The business or person related to the auditor and audit firm that the auditor works for, is not a person or business which related to the Company (SCN) and its subsidiaries. However, the Company agrees to pay no further service fees to the auditor than mentioned.

Internal control and risk management

At The Board of Directors' Meeting 1/2018, on 22 February 2018, including 4 audit committee members in the meeting. The members have evaluated the SCN's internal control system by questioning the management section. It could be summarized that, from the 5 internal control system assessments namely Organizational Control and Environment Measures, Risk Management Measure, Management Control Activities, Information and Communication Measure and Monitoring, the Audit Committee and Company committee's opinions are that the Company has an ample and appropriate system to efficiently run the internal control system. The system that covers follow ups of monitoring subsidiaries' operations to prevent Company and subsidiaries' assets from being

foully used by directors or executives without true authority along to any transactions with persons who may have conflict and related people.

At the audit committee meeting 1/2017, on 21 February 2017, Dharmniti Auditing Co., Ltd. was positioned to internally audit the Company. Mr. Saksri Ampawan of Dharmniti Auditing Co., Ltd. held main responsibilities of auditing the Company.

The Audit Committee has validated the qualifications of Dharmniti Auditing Co., Ltd. and Mr. Saksri Ampawan agreed that Dharmniti and Mr. Somsak are appropriate and qualified to take the responsibilities due to their independence and experience in internal auditing.

Transactions

The Company's transactions that may conflict with persons within the year 2017 may be concluded in details as follows,

The Company and subsidiaries have transactions with possible persons of conflict in 2017, beneath the principles for considering transactions as follows,

1. The necessity and reasonability of transactions

The 1/2018 Company Audit Committee meeting, held on 21 February 2018 considered the Company's transactions within this fiscal year ended on 31 December 2017 along with questioning for further information from the Company's Executive Sector and collating information as mentioned in the annotations of the consolidated financial statement audited by Company auditors. It is agreed that Company transactions in the fiscal year ended on 31 December 2017 are normal transactions for general business operations and follows general trade conditions, as a person of ordinary prudence would do with another contract party in the same situation at an Arm's Length Basis.

2. Measures of steps of approval for transactions

The 1/2017 Company Committee Meeting, held on 18 September 2017 had considered to approve transaction policies and steps to ensure that transactions between the Company and another person or juristic person is carried out transparently and maintains Company benefits. Conclusions are as follows,

In completing transactions or connected transactions of the Company group, to follow the Securities Act and Declaration by the Capital Market Supervisory Board (Torjor. 21/2551) of connected transactions criteria; Information Disclosure and Operations Related to Connected Transactions of a Listed Company by the Securities and Exchange Commission and/or The Stock Exchange of Thailand, as well as following regulations related to the Disclosure of connected transactions in the financial statement annotation audited by Company Auditors and the (56-1) financial statement form.

In the case that the law enforces that the Company must be approved by the Company Committee meeting or the Shareholder meeting before completing any connected

transactions the Company will assign the Audit Committee to check and provide their opinions upon the transaction. The opinions will then be presented to the Company Committee or the shareholders, depending on the case. This is to ensure that all actions are for the Company's highest interest.

In the case that transactions between the Company group and others who may contain conflict of interest, a stakeholder, or a possible conflict of interest in the future, the Audit Committee will provide opinions about the transaction's necessity along to the price suitability. All conditions will be considered as normal business operations in the industry. Prices will be compared with external persons or the market price. If Audit Committee is not an expert in a specific field of transaction, the Company

shall assign an independent auditor or a Company Auditor to provide opinions. The opinion will be used for the Audit Committee, Company Committee or shareholders to consider, depending on the case. Stakeholder Committee members will not have the right to vote in that transaction. Also, the transaction will be disclosed in the financial statement audited or collated by Company Auditors.

Principally, the Management Section can approve the mentioned transaction. If that transaction has trade agreements as a person of ordinary prudence would do with another contract party in the same situation at an Arm's Length Basis from one's status as a Committee, Executive or related person. The Company must also compose a report to conclude the transaction and report to the following Company Committee meeting.

Transaction policies or trends in the future

If the Company wishes to make any transactions or transactions within the Company group with persons who may have conflicts of interests, is a stakeholder or may have conflicts of interests in the future, the Company shall interact by following strict policies and rules. The Company committee's guideline for consideration is considering the necessity of the transaction compared to Company actions and compares the price with (if possible) along to considering the importance of the transaction size.

However, if any transactions were made, the Audit Committee shall share their opinions of the transaction suitability. In the case that the Audit Committee isn't able to

audit the transaction, the Company shall invite people who are knowledgeable or professional to that field e.g. independent auditors or property appraisers to provide opinions upon the transaction. Their opinions will be taken into consideration by the Company committee or shareholders up to the case. This is to ensure that the transaction is not property transferring or interest shifting between companies, but is a transaction that puts the shareholders' interests highest.

In 2016 - 2017, The Company and its subsidiaries did not have any connected transactions with persons who may have conflicts.



Corporate Social Responsibility Report

Scan Inter (Public) Company Limited runs business with the best interests towards all stakeholders, the economy, society and environment in a moral, ethical way, with virtue and good corporate governance to ensure that all operations unfold by honest, verifiable and fair means. The Company always considers effects towards the economy, society and the environment and is ready to amend any negative impacts for true sustainability of all stakeholders, the economy, the society and the environment.

Economic Operational Results

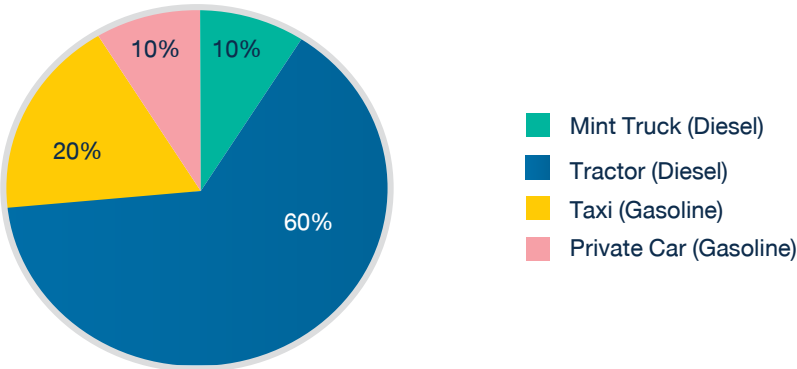
The Company runs businesses related to natural gas as the manufacturer and seller of natural gas (NGV) to logistics and land transportation sectors and the industrial sector (iCNG).

We have contributed in several economical projects to support the local community within the Bangphasi sub-district, Banglane district, Nakornpathom province such as the solar cell plant from cells mounted to the ground for governmental offices and agricultural cooperatives. The Company has contributed with the Women's Agricultural Limited Cooperation of Bangphasi and shared the revenue from selling electricity to the cooperation to fund and to distribute the income in the community for the economy and a better quality of life.



The Company’s natural gas logistics and land transportation sectors (NGV), manufacturing and selling in 2017 reaches the volume of approximately 247,000 tons per year, which may be compared to the replacement of benzene and diesel of up to 305 million liters per year, or benzene 95 of 101 million liters per year and diesel of 204 million liters per year. The value that logistics and land transportation sectors have saved from this alternative is approximately 5,800 million THB per year.

Calculations are calculated from the pie chart. This may help lessen the general public’s energy expenses who use personal cars. This also eases burdens in energy expenses for the transportation sector and a main factor to support them by lowering business costs. This will help increase competency potential of Thai entrepreneurs while sustainably decreasing imported energy from overseas.



A pie chart showing the NGV consumption ratio divided by vehicle types

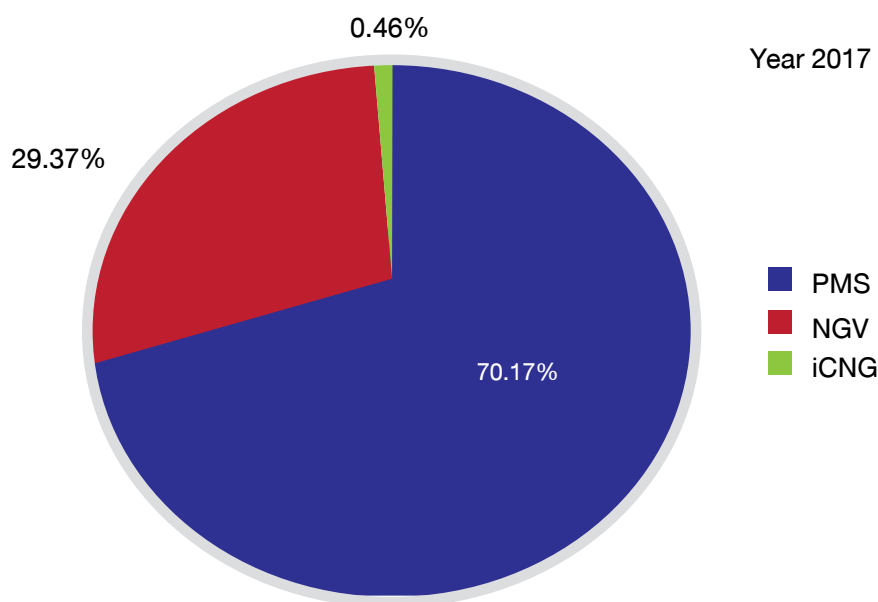
Industrial Compressed Natural Gas (iCNG) and Compressed Natural Gas (CNG) production and distribution to industrial plants by the Company has helped the industrial sector save fuel energy at approximately 88 million

THB per year. The saved cost in fuel energy of the industrial sector of Thailand contributes to the increased competency potential of the industrial sector of Thailand.

Operational Results in Safety, Health and the Environment

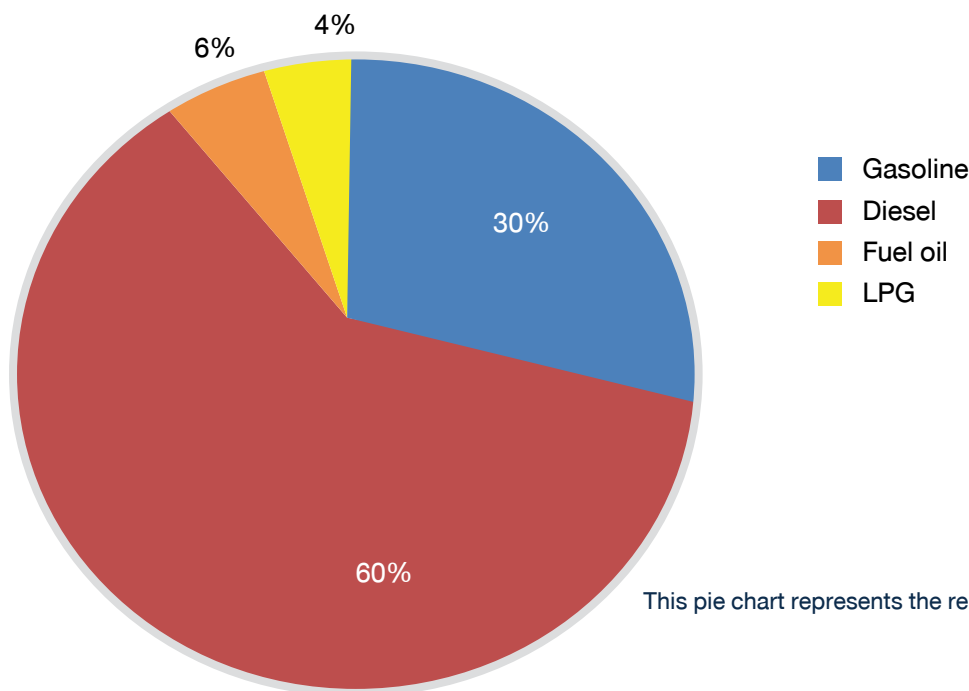


From the Company's slogan of "Creating Sustainable Energy", the Company has emphasized on researching and developing innovative energy technology so that energy is utilized at its greatest value and is sustainable. The Company's businesses greatly support energy sustainability. The NGV/CNG that the Company had manufactured, distributed and sold in Thailand may diminish the amount of carbon dioxide released into the atmosphere equal to approximately 691,000 tons of greenhouse gases per year. The amount of reduced carbon dioxide that may be released by coal power plants and natural gas electricity power plants, sizes 216.30 megawatts and 389.42 megawatts accordingly. This may be compared to the amount of carbon dioxide that 691,000 perennial trees can absorb per year.



This pie chart represents the reduced amount of carbon dioxide

From the graph, it is significant that the Company aims to promote clean energy consumption. Greenhouse gases as much as 691,000 tons per year may be reduced when compared to other fuel consumption. When divided into separate business fields, the Private Mother Station (PMS), NGV Service Station and Industrial Compressed Natural Gas (iCNG) business altogether may reduce the released amount of carbon dioxide from the congestion of other fuels in 2017 of over 485,000 tons per year (70.17%), 203,000 tons per year (29.37%) and 3,200 tons per year (0.46%) accordingly.



This pie chart represents the replacement of various fuel types

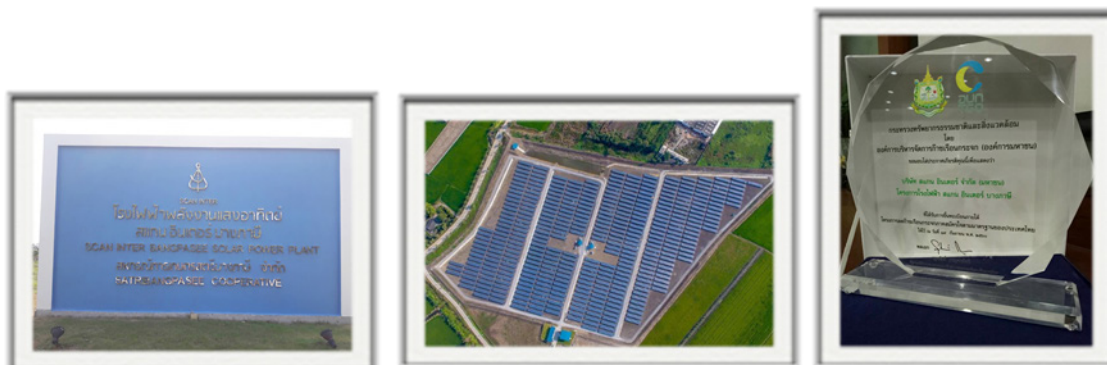
This pie chart represents the replacement of various fuel types. In 2016 it is clear that the Company could reduce the amount of released carbon dioxide when compared to benzene, diesel, fuel oil and Liquefied Petroleum Gas (LPG) at a quantity of approximately 101 million liters per year (30%), 204 million liters per year (60%), 19 million liters per year (6%) and 15 million kilograms per year (4%) accordingly.

Environmental Operational Results

At present, many countries across the globe focus on the importance of clean energy and alternative sources of energy. A trend of awareness towards natural disasters arose from the global warming situation. Although global warming is caused by many factors, one of the important factors is having too much carbon dioxide in the Earth's atmosphere which destroys the Earth's layer. Countries that are aware of this problem started enacting policies and laws so people alternate to cleaner energy. Efforts are carried out to lessen pollution and rebalance nature for sustainability.

Scan Inter (Public) Company Limited, leader of natural gas energy oversees the energy situation change on Thailand's near future. Changes passed from the nonrenewable energy consumption era e.g. energy from coal, petroleum, natural gases and so on to the renewable energy consumption era e.g. energy from wind, water, solar cells and so on to reduce consumption of exhaustible resources. SCN PCL supports projects associated with renewable energy e.g. building the solar farm, participating in the Carbon Credit Project with the Thailand Greenhouse Gas Management Organization to become leader in Clean Development Mechanism, or CDM.

CDM is a mechanism set beneath the Kyoto Protocol to help industrial Annex I countries to exceed obligations to reduce greenhouse gases during 2008-2012 to remain lesser than greenhouse gas emission in 1990 by 5%. The Cpy bought Carbon Credit from participation in the CDM project for non-Annex I countries called the Certified Emission Reduction or CERs to lessen the country's greenhouse gas emission.



Scan Inter (Public) Company Limited took part in the project since May 9 2017 and could produce carbon dioxide compared to 4,375 tons. Compared carbon dioxide (As for the period between February 1 2017 – 31 January 2018) beneath the Scan Inter Bangphasi Solar Power Plant Project.

Part 1 : Operation status

Time	Duration	The certified amount of greenhouse gases (tCO ₂ e)
1	01/02/2560 – 31/01/2561	4,375
SOJ	01/02/2560 – 31/01/2561	4,375

Methods to voluntarily lessen greenhouse gas for On-Grid Renewable Electricity Generation.

1. Unmeasured parameters

Parameter	EFElec
Used value	0.5661
Unit	tCO ₂ /MWh
Definition	Greenhouse gas emission value from generating electric energy
Information source	The latest Greenhouse Gas Emission Value Results Report from Thailand's electric energy generating by TGO (2014)

2. Measured parameters

Parameter	EGPJ,y
Unit	kWh/year
Definition	The net quantity of generated electricity from operations using measurements from year y
Information source	Measurement report
Tracking methods	Constantly measured using electricity meters in the tracking process before reporting on a monthly basis.

Part 2 : Carbon Sequestration or Emission Reduction from the project

Greenhouse gas emission from the base case is considered from carbon dioxide (CO₂) emission from generating electricity in the transmission line system, which is calculated from the quantity of generated electricity energy from renewable energy to replace electricity energy from,

Greenhouse gas emission from the base case is calculated as follows,

$$BE_y = BEEG_{,y}$$

With conditions that,

BE_y = the quantity of greenhouse gas emission from the base case in year y (tCO₂/year)

$BEEG_{,y}$ = the quantity of greenhouse gas emission from the transmission line system in year y

Greenhouse gas emission from the transmission line system

$$BEEG_{,y} = (EGPJ_{,y} \times 10^{-3}) \times EFElec \quad BEEG_{,y} = (EGPJ_{,y} \times 10^{-3}) \times EFElec$$

With conditions that,

$BEEG_{,y}$ the quantity of greenhouse gas emission from the transmission line system in year y (tCO₂/year)

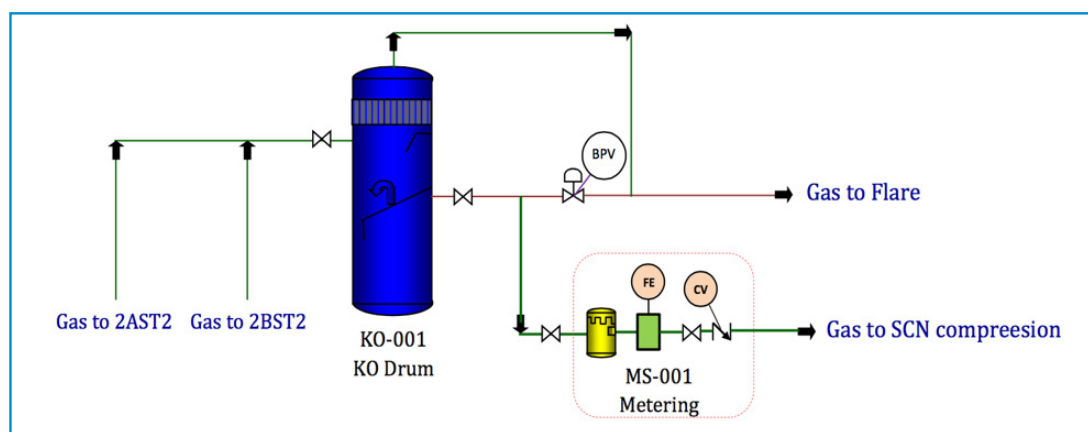
$EGPJ_{,y}$ = the quantity of generated electricity energy from renewable energy project in year y (kWh/year)

$EFElec$ = the value of greenhouse gas emission from electricity generation (tCO₂/MWh)

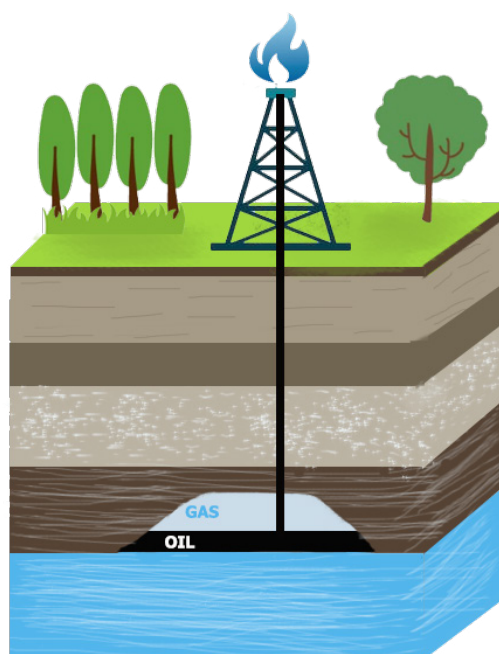
The carbon dioxide gas emission reduction project for industrial plants (Carbon Credit) will help refresh the Earth from reduced carbon dioxide gas. The ozone layer will be able to thicken to lessen heat from the sun to the Earth surface. The greenhouse gas trapped in the Earth's atmosphere will also lessen thus cooling down the Earth to become a more pleasant and sustainable place to live in.



Other than the Carbon Credit Project, Scan Inter (Public) Company Limited also initiated a project to purchase natural gas from the crude oil source in the Vichienburi district of Petchabun. There, natural gases are discovered with underground oil sources. The gas may be discovered dissolved in oil, mixed on the oil layer, lean gas which consists mainly of methane, wet gas which consists of many hydrocarbon types mixed together, or "Associated Gas" which is found with crude oil.



In the oil rigging process, normally when natural gas is found the flare gas must be eliminated by venting out of systems. The gas has low pressure, has low economic value and heats the globe. However, as Scan Inter (Public) Company Limited is the leading conductor of natural gas energy, we have a compressor system to adjust the gas pressure to be high enough to become fuel in industrial plants. Not only does this add economic value, but it also lessens pollution at oil rigs because there is no need to eliminate flare gas 24 hours a day to prevent any chances of explosion. Also, if the compressed gas is used in industrial plants instead of furnace oil will also lessen carbon dioxide emissions.



Social Operational Results

► Support and Educate Others about Energy

The Company has welcomed students from the Faculty of Engineering, Kasetsart University (Kampaengsaen Campus) for a field study on June 12, 2017. In this field study, the students traveled to the Sainoi Plant and the Private Mother Station (PMS) at Samkhok. They were warmly welcomed by Mr.Thananant Pongchaiprasert, Research and Business Support Manager/ on behalf of the Purchasing Manager, who lectured the students. The Company has always welcomed students and universities visiting for field studies with the principle that, by educating others about energy which is the Company's core business, the knowledge given will be returned as a method to develop the country.



► Employees' Annual Health Checkup Project

The Company greatly highlights the wellness of employees' health because our employees' health is the fundamental of a happy organization. Yearly, a health checkup is provided for employees to assess their wellness. After the results, the Company also hosts a health promotion activity to help them take good care of themselves since a good wellbeing leads to quality and efficient working outcomes.



► Local Labor Employment in Nonthaburi Province

At the end of 2017, the Company had 588 employees. If only employees from the local province of Nonthaburi were counted, the Company would employ 304 locals. Not only employment, but also treating employees in a decent and fair manner that respects human rights, with no discrimination towards race or religion and everyone has equal rights. The Company does not treat people with different standards, this is an issue that executives stress on the most. The highest goal is too make employees work in a happy organization. Other than this, the Company also provides welfares to the employees to ensure their wellbeing and quality of life.



► Thailand Private Sectors Alignment for Anti-Corruption

Scan Inter (Public) Company Limited and subsidiaries (“the Company”) aims to carry out business in an honest, transparent, and responsible manner towards all stakeholders and the society following good corporate governance. The Company is aware of how corruption negatively impacts economy and social development. Therefore the Company has signed to express their intention in the Private Sector Collective Action Coalition Against Corruption (CAC) since July 2017 and was certified as member of the CAC on November 21, 2017.

► A Parking Space and Emergency Exit for Nearby Communities

The Company focuses on taking care of the wellbeing of the people in nearby communities and has provided parking spaces within the Company’s service stations for people to park without any parking fees. Also, an emergency exit has been prepared in case of any urgent events since the community originally had one entrance and exit route. The Company noticed that this could be inconvenient in cases of emergency and therefore has prepared another exit for the community, which is near to the service station, at Nualchan Road, Bueng-koom district, Bangkok.



► **Support for the Ruamkatanyu Foundation beneath the name “Samkok Rescue Center”**

Scan Inter (Public) Company Limited sponsored the Katanyu Foundation to set up a Ruamkatanyu emergency radio center beneath the name “Samkok Rescue Center” in June 2015. The Company allocated an area within the Samkok, Patumthani PMS along with an emergency rescue truck, related equipment in rescuing lives and medical equipment for the Ruamkatanyu staff to help people within Samkok, Patumthani and nearby areas. This allocation helps save numerous lives from accidents in the proximity.

SCN has also sponsored the Katanyu Foundation to continuously set up the Samkok Rescue Radio Center by allocating an area within the Samkok, Patumthani PMS along with an emergency rescue truck, related equipment in rescuing lives and medical equipment for the Ruamkatanyu staff to help people within Samkok, Patumthani and nearby areas. This allocation helps save numerous lives from accidents in the proximity in an urgent, quick manner.



.....

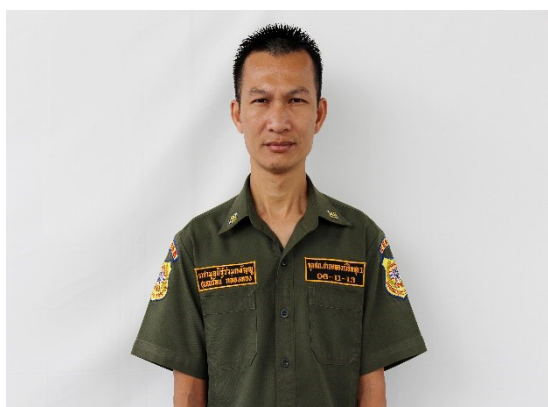
Additionally, the Company also assigned volunteer staff to train in basic first aid methods to collaborate with the foundation staff in effectively rescuing people involved in accidents.

From accident statistics within the responsible area of Samkok Rescue Radio Center by Ruamkatanyu Foundation, in 2017 the staff have helped people involved in accidents for 3,094 times, helping 2,890 injured people and 93 death casualties.

Accident statistics that the Samkok Rescue Center had helped in 2017

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Number of accidents	266	238	279	217	205	243	229	245	243	240	316	373
Deaths	6	1	2	2	0	11	9	9	8	13	11	21
Injuries	195	176	193	160	166	293	255	275	289	266	358	264

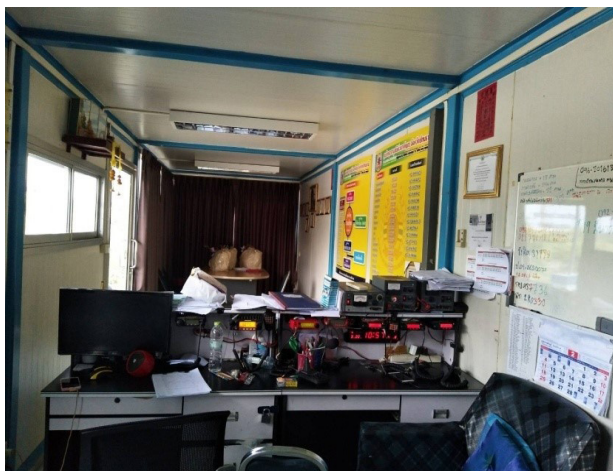
Scan Inter PCL's staff who volunteer as part of the Ruamkatanyu Foundation



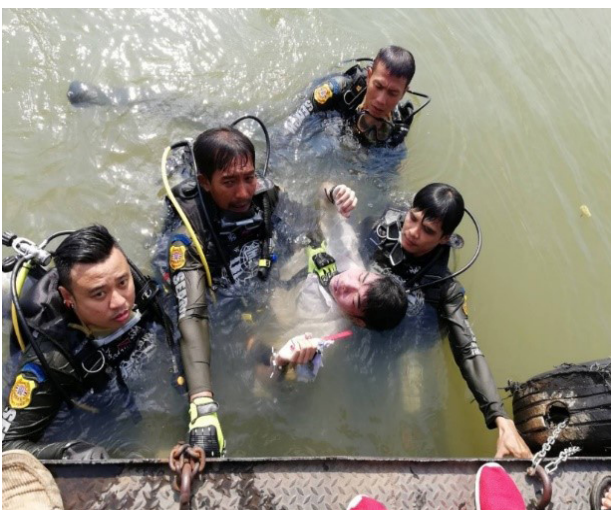
► The Company sponsored parking areas and other necessary equipment for rescue missions

1. Scan Inter PCL sponsored 2 trucks for rescues to volunteering staff
 - 1.1 Vehicle with the register plate of 1Tor Kor 3027, value of 505,438.13 THB.
 - 1.2 Vehicle with the register plate of Tor Chor 2528, value of 484,766.35 THB
2. Rescue Center (Parking area), value of 363,387.55 THB
3. Equipment and tools: Communicative radios as well as medical equipment, first aid medications, signal pole installations and signal cables from beginning to the present at a total value of over 100,000 THB.

The Company sponsored rescues up to the present of a total value of over 1,453,590 THB.



- Photos of the Katanyu Foundation staff of the Samkok Emergency Rescue Center who helped citizens involved in accidents



Standards that the Company has received

BS OHSAS 18001:2007

From the Management System Certification Institute (MASCI) regarding receiving and distributing natural gas in Private Mother Stations, natural gas land transportation from Private Mother Stations (PMS) to Daughter Stations.

ISO 9001:2008

From Bureau Veritas Certification (Thailand) Company Limited for systematic management and for meeting International Standards of plants and Private Mother Stations (PMS) that ensures that all management systems are controlled and are verifiable from documents that inform procedures and working methods of the Company which meet these following standards,

- (1) Designing, constructing, and services in services, equipment for gas filling in the oil, gas & fuel industry
- (2) Designing, installing and Bi-Fuel services, Dual-Fuel and NGV sole fuel systems, Dedicated Engines for vehicles and trucks
- (3) Natural gas Compressor assembly and NGV service station equipment
- (4) Manufacturing Dispensers, Priority Panel and Decant Panel) used in NGV service station
- (5) Receiving and transporting gas in Private Mother Stations (PMS)
- (6) NGV filling services
- (7) Transporting NGV from Private Mother Stations (PMS) to Daughter Stations

TIS 18001: 2011

The Thai Industrial Standards Institute set up standards for health and safety management systems according to TISI. 18001-2554 for receiving and distributing natural gas in Private Mother Stations (PMS), and natural gas land transportation from Private Mother Stations (PMS) to the Daughter Stations.

ASME (U-STAMP)

The Company has received a standard in designing and manufacturing Pressure Vessels from the American Society of Mechanical Engineers (ASME). All designing and manufacturing processes for the Pressure Vessel follow standards of the ASME Boiler and Pressure Vessel Code Section VII, a standard declared by the American Society of Mechanical Engineers (ASME).

Society Responsibility Policies

1. Fair Business Conduct

The Company runs business fairly and honestly, following codes of good conduct and related regulations and laws while taking relationships between the Company and all stakeholders into consideration at all times.

2. Anti-Corruption

The Company aims to foster an anti-corrupt culture by running business morally, ethically, and honestly with zero tolerance towards any wrongdoings. This is led by the Conduct of Business Ethics and the Anti-Corruption Policy, along to ensuring that all employees follow.

3. Respect towards Human Rights

The Company runs business with a conduct to respect, support and protect human rights and freedoms including equally treating others which is the fundamental of human resources management and development.

4. Ethical Treatment towards Labors

The Company is aware of developing human resources, which is the core leading to sustainable development of the Company itself. Therefore, we focus on human resources management policies from the procedure of recruitment, development and appropriate reimbursement with their knowledge and ability to keep quality employees.

5. Responsibility towards Consumers

The Company is aware of the importance of Consumer's rights and manufacturing safe and health-wise goods and services for consumers by focusing on research and development of goods and services to respond to the demands of the consumers.

6. Environment Conservation

The Company strictly follows laws and regulations related to environment management. Serious defensive and corrective measures are ruled out in cases that any of the Company's operations affect the environment. This also includes developing business operations to decrease any effects upon the environment.

Operations and Report Composition

The Company communicates its Corporate Social Responsibilities Policy to employees in meetings and in orientations that initiate corporate cultures and explaining

Stakeholders

1. Shareholders

The Company considers all shareholders as the business owners and the Company prioritizes in maximizing values on a long term for the shareholders. The Company swears to treat shareholders equally, keep their interests and not commit any actions that may abuse or infringe upon the rights of shareholders. The Company also aims to satisfy our shareholders at our highest efforts by considering the long term growth of the Company, creating added value and reimbursing them by appropriate means continuously and run the business following Good Corporate Governance.

2. Employees

The Company is aware that our employees are a valuable resource that will contribute to the Company's success and thus shall equally and fairly treat employees by providing opportunities, reimbursements, welfares, potential development and establishment of a provident fund for employees. Also maintaining a safe working environment for their lives and assets are also stressed upon.

7. Co-Developing the Community or the Society

The Company emphasizes on coordination and interaction between the organization and the community and the society by supporting volunteer activities that aim to develop the community and the society.

The Company also aims to cooperate for a sustainable society in Thailand by being the leader in clean and sustainable energy technology, and applying the technology for usage at its highest interests as so ensure the general public's quality of life, creating added value to all shareholders and to take good care of the society and environment.

about the working environment to create a mutual understanding and sense of duty responsibility of passing on quality goods and services to consumers and the society.

There are fair methods of appointing, moving, reimbursing and reprimanding employees which are assessable within regulations of the Company. We also are open to opinions and suggestions from employees based on their vocational knowledge and related labor laws, regulations.

3. Customers

The Company focuses on the customers' satisfaction that will contribute to the success of the Company. Therefore we aim to find a way to respond to the demands and requests of customers. All customers must receive good quality goods/services which are safe, have an appropriate price and follows predestined standards. The Company aims to follow circumstances and agreements made with the customers strictly. A continuous development of the standards of goods and services must always be carried out as to maintain a friendly and sufficient relationship with customers. This also covers keeping confidential customer information and not exploiting it for personal or related persons' use. As well as revealing correct, ample, up-to-date

information to customers so they are informed about the services which the Company provides to customers without over-advertising and misleading customers to false understandings of goods and services.

4. Trade Partners and/or Creditors

The Company treats trade partners fairly and equally without exploiting them and to run business in an honest way. All actions aim for the Company's highest interests and fair return of investments for both sides, and following agreements that had been made and agreed upon strictly. In cases that an agreement cannot be met, an officer must be notified in advance to seek a way to resolve the problem.

5. Competitors

The Company is aware of the conducts towards business competitors that are fair and within regulations and laws related to the Code of Good Practice by not seeking for business competitors' confidential trade information in a dishonest or inappropriate way, not limiting others from competing in the business field and not discrediting competitors.

6. The Society and Community

The Company stresses on running business with responsibility towards the society and community and continuously developing the community in a sustainable method. The Company therefore has a policy to run business with responsibility towards the community, the society and the environment including safety, quality of life, natural resources conservation, support efficient energy consumption and always considering about the quality of life for the people within the community and the society.



POLICIES AND ACTIONS IN PREVENTING CORRUPTION

Scan Inter Public Company Limited and its subsidiaries (“Company”) aim to conduct business honestly and responsibly towards the society and all stakeholders according to Good Corporate Governance. The Company is aware of the effects of corruption towards economic and social development and therefore has expressed the intentions by signing the CAC (Private Sector Collective Action Coalition against Corruption).

To carry out the mentioned intention, the Company has composed an Anti-Corruption Policy and entitled roles, responsibilities, guidelines and operational approaches as follows,

- **Definition**

“*Corruption*” means all actions in all forms by promising, giving, or bribing assets or any advantages (“bribe”) to government or private officers, related persons who hold direct or indirect responsibilities or requesting or receiving assets or other advantages for oneself or others that is inconsistent with official duties so that they may carry out or not carry out any duties to gain or retain any business benefits. Except for cases that the law, orders, announcements or local cultures or trade traditions allow so.

“*Political Contributions*” mean financial or sponsorship by other means or in-kind and/or supporting employees to participate in political contributions under the Company’s name to support any political parties, politicians or anyone related to politics or groups with political power both directly and indirectly that may lead to any conflict within the Company or the nation, or to gain any special, deceitful benefits or trade advantage. This however does not include employees participating by personal liberty.

“*Sponsorship*” means money that is paid or received from clients, customers, trade partners and shareholders at a reasonable amount by the objective of business, trademark or corporate reputation that will help create a positive image, support business relationship and is appropriate to the occasion.

“*Corruption Risk Management*” means setting up a guideline and procedure to indicate, analyze, assess, manage and follow procedures of the Company that may be corrupt or duty ignorance. The analyzed results should be used to revise and determine a guideline for anti-corruption or any dishonest acts to ensure a transparent management system and working atmosphere. This will lead to minimum loss and increase positive opportunities.

- **Policy Scope**

This will be adapted to all committee, executives and employees of the Company. The policy's purpose is to guide committees and employees how to react or who to consult in the case of any curiosities. Committees and employees have to sustain the highest standard in business operation. Any violations will be severely reprimanded as this is breaking a contract and is a criminal case of the person which may harm the reputation and status of the Company. The Company has given guidelines and duties of the person holding responsibility along to an examination and practice of Anti-Corruption Policy to correspond with business changes, commands and legal clauses.

- **Roles and responsibilities**

1. Board of Directors – in charge of drafting policies and keeping them in systematic order to ensure that Anti-corruption measures are carried out efficiently and that Executive and Committees emphasize on Anti-Corruption measures until it becomes an organization culture.
2. Audit Committee –in charge of ruling out Anti-Corruption measures and auditing financial statements, accounting systems, internal systems, internal audit systems and risk management that may be caused from corruption to ensure that Company operations are carried out in an appropriate, concise, up-to-date, efficient and standard method. They are also in charge of general complaints or any reports of corruption both within the organization and between related organizations, checking for the truth regarding complaints, and reporting to the Board of Directors to consider reprimanding or improving any problems according to the Anti-Corruption policy.

3. Executive Committee, Managing Director and Management Division–in charge of drafting systems, supporting the application of Anti-Corruption policy into usage along to communicating with employees and all related persons. They are also in charge of revising the appropriateness of systems and measures to tally with business changes, orders, commands and legal clauses.
4. Internal Audit Department– in charge of auditing and checking operations to be correct, to agree to the policies, guidelines, executive authority, orders, legal clauses and terms of regulators to ensure that the control system is appropriate and sufficient towards any corruption risk before reporting to the Audit Committee.

- **Guidelines**

1. All Board of Directors, Audit Committee, Executives Committee and employees of all levels must follow Anti-Corruption policy and corporate ethics. The Company must not be related in any forms of corruption whether directly or indirectly.
2. Employees must be careful when receiving or giving presents, assets or other beneficial advantages along to welcoming services, and other payments or compensations and receptions which must be for business objectives or conventions only and within an appropriate value that will not affect any decision making or duty fulfilling.
3. Donations and sponsorship of the Company must be carried out orderly, must be checkable, auditable by having documents by the Company's orders to ensure that all donations and sponsorship aren't allegations for corruption.

4. The Company has set a checking system and order of sales and marketing along to procurement and renewing contracts frequently to assess any corruption risks and to manage or fix in an appropriate method.
5. The Company has a human resource management system that is fair and protects employees that neglects corruption or informs any corruption regarding to the Company, even though the actions may lose certain business opportunities of the Company. The Company has set a whistleblowing for informing and protecting the reporter. This includes when employees need guidelines to follow Anti-Corruption policy.
6. Internal control divisions must report to internal audits by themselves. If any issues are found that disagree with the Anti-Corruption policy, they must notify the division to improve defensive measurements.
7. The Company has set a document and record storage system to be ready for auditing or checking for correctness of financial statements along to action steps to ensure that none are unrecorded, left unexplained or are untruthful.
8. The Company has set up a guideline for internal controlling, accounting and information storage to confirm the system's efficiency following Anti-Corruption policy and that records of financial statements are supported by ample proof.
9. The Company has set up a communication channel and training continuously for persons within the Company so they have knowledge and true understanding about Anti-corruption policy.
10. The Company is aware of the importance in sharing, educating and understanding others who are related that may affect the Company or

the public in cases that must follow Anti-Corruption policy.

11. Internal Auditors may urgently report to the Managing Director, Executives Committee and Audit Committee to report to the Board of Directors.

● Implementation measures

1. This policy covers human resources management from the step of recruiting or selecting candidates, promoting, training, assessing and compensating. It is necessary that all commanding levels communicate and have the same understanding about business activities that they hold responsibilities so that operations are carried out efficiently.
2. All Anti-Corruption policy must follow the guidelines in the Corporate Ethics guide, guide to corporate governance and guidelines towards stakeholders along to other orders that the Company has set up.

● Penalty

The Company has set up appropriate penalties for employees who do not follow Anti-Corruption policy which include the dismissal in cases of necessity. Other transgressions that disagree with this policy both directly and indirectly shall be considered according to Company orders or legal clauses. All employees must study the policy clearly. They must report any suspicious behavior or notify of any wrongdoings towards their commander according to the order. However, in the case that their commander may be related to the actions, they may report directly to the Manager of Human Resources department.

Any complaints that must be filed to police authorities must be completed within 2 months from the date of knowledge of a wrongdoing. Evidence and witnesses must be ready. It is the duty of the commander and Human Resources department. When all witnesses and evidence are ready, the Human Resources department must be the consultant for correctness in hearings and trials.



Complaint and Whistleblowing Policy

Scan Inter Public Company Limited ("The Company") has set whistle blowing policies to cover receiving informs, checking for the truth, concluding and also protecting the whistleblowers and related persons to acknowledge complaints, opinions or suggestions from stakeholders who have been affected by the Company's operations or duty performing of Committee members, Executives and employees of the Company about the actions that violate the law or any actions that may lead to corruption.

● Terms of complaint and whistle blowing policy

1. Any dishonest actions connected to the organization both directly or indirectly e.g. realizing that employees suggest or receive any bribery with government officials or private sectors.
2. Any actions that do not follow the Company rules or affects internal control systems of the Company until suspicions of dishonesty or corruptions are raised.
3. Any actions that may lose the Company benefit or affect the Company reputation.
4. Any actions that are immoral, break the law, or against Corporate Ethics.

● Investigation process and penalty

1. When informed or provided with suspicious actions, the audit committee will investigate.
2. During the investigation process, the audit committee or representatives will notify the progress from time to time to the whistleblowers. The time frame for the investigation process until the end of the investigation is within 30 days, and the investigation may extend to another 30 days.
3. If the investigation process leads to credible suggestions causing corruption, the Company has the right to call the accused for an acknowledgement upon the accusation and the right to prove their innocence or being unrelated to the accusation of corruption.

4. If the accused had committed the corruption, the action will be considered as an infraction upon the Anti-Corruption Policy of the Company. The person will be penalized according to the Company's rules. If the action also is an infraction upon the law, the culprit must also be punished by the law. As for disciplinary penalties according to the Company's regulations, the committee president's decision will be taken as final.
5. Any dishonest whistle blowing or any dishonest actions, if the culprit is a Company employee, they shall receive disciplinary punishments. The Board of Director shall consider the penalty as deemed appropriate.

- **Standards for protecting the whistleblowers or any related persons**

To protect the rights of the whistleblowers and information provider, the Company will not reveal the name, address or any information that will identify the identity of the information provider. The information and identity of the whistleblowers will be kept confidential and will be revealed only within a limited circle, or to those who are directly responsible in receiving informed suspicions. In the case that Board of Director is accused, the audit committee will be the whistleblowers, witness or information provider's identity protector so that they will not be in any danger or treated unfairly from being related to the investigation information provider. Information providers are requested to send the complaint directly to the audit committee president, who will be the person in charge of the investigation and in protecting the information or evidence provider from any dangers. The audit committee president may assign other executives to help protect the person. However, the assigned executive must not be related to the accused whether directly or indirectly. The information receiver must keep all information about the investigation and related persons strictly confidential, never reveal anything to any unrelated persons except for cases that certain information must be revealed regarding to the law.

- **Channels for whistle blowing**

The Board of Director assigned the Audit committee to consider all tips of corruption, complaints, actions that are suspicious or may lead to corruption within the Company whether directly or indirectly from the channels in this policy. The complainant must provide the event details, complaint, accusation and evidence or adequately information for investigation by enclosing in details of the name, the address and contactable telephone number. Clearly state that this is "confidential" before sending the information and enclosing details to,

1. Postal mail :Audit Committee or Corporate Secretary
Scan Inter Public Company Limited, 355 BondStreet
Road, BangPood, Pakkred, Nonthaburi, 11120
2. Email: Auditcommittee@scan-inter.com
3. Telephone: 02-503-4116-21 or 02-921-9937-9



Report of the Audit Committee

The Audit Committee's Report

Scan Inter (Public) Company Limited's Audit Committee consists of independent committee members who are experienced and have attributes specified by the Stock Exchange of Thailand and the declaration of Qualifications and Responsibilities of an Audit Committee B.E.2552. The Audit Committee consists of 4 independent members; Mrs.Kannika Ngamsopee, Chairman of the Audit Committee and 3 audit committee members namely, Mr.Vichien Ussanachote, Mr.Peerapong Achariyacheevin and Mr.Chamnan Wangtal.

The Audit Committee has been independently carrying out their duties assigned by the Board of Directors, following duties and responsibilities assigned to the Audit Committee such as auditing the financial statement and following Good Corporate Governance and systematic internal auditing according to securities laws and the Stock Exchange of Thailand as authorized and responsible of as Audit Committee. In 2017, 4 Audit Committee meetings were held. A brief conclusion of duties and responsibilities are as follows,

1. Audit and approve or the quarterly and annual financial statements. Remain open towards opinions and additional suggestions from the auditors to follow generally approved accounting principles before proposing to the Company's Board of Directors for consideration and approval.
2. Follow up on Good Corporate Governance to run a verifiable and auditable working process, while supporting constant improvement of corporate governance.
3. The Audit Committee audits important information disclosure, transactions or any issues that may lead to conflicts of interest to ensure that the Company follows general business conditions and securities laws and or by the Stock Exchange of Thailand.
4. Support and encourage the participation and signage in the "Thailand's Private Sectors Collective Action Coalition Against Corruption: CAC" as well as the intention to build organization culture that is corruption-free.
5. Consider and nominate auditors. In 2018, KPMG Phoomchai Audit Co., Ltd. has been selected to audit.

In conclusion, the Audit Committee has carried out their roles and responsibilities as defined in the Audit Committee charter by applying their knowledge and professionalism to fulfill their duties in the past year in a careful and independent manner. This is majorly important towards transparent and suitable internal operations. No significant issues were found to affect internal control efficacy and risk management. The Audit Committee agrees that the Company provides ample information disclosure in the financial statement that follows generally approved accounting principles along to laws and regulations associated with business conducting. The Audit Committee has reported their opinion to the Board of Directors already.

In the name of the Audit Committee



(Mrs.Kannika Ngamsopee)

Chairman of the Audit Committee



Financial Statement

Report of the Committee's Responsibilities towards the Financial Statement

The Board of Directors is responsible for the financial statement and consolidated financial statement of the Company and subsidiaries which appears in Scan Inter (Public) Company Limited's annual report. For the year's financial statement ended on 31 December 2017 was composed following generally approved accounting standards; using appropriate accounting policies, and regular practices to reflect the financial status, operation results in the past and cash flow. All these information are correct, transparent, provides explanations and analysis that benefits the shareholders and general investors. Also, ample information disclosure is included in the financial statement annotations.

The Board of Directors had set and preserved a suitable internal control system, risk management, internal auditing along to corporate governance to ensure that accounting information is correct, complete and enough to maintain Company assets. Also, these information helps us be aware and prevent corruption or any significant abnormal actions.

The Board of Directors assigned an Audit Committee which consists of independent members to take responsible of financial auditing and internal control systems. The Audit Committee's opinions are included in the Audit Committee's report in the annual report.

Therefore the Board of Directors agree that auditing systems and internal control are ample and suitable to build confidence that the separated financial statement and consolidated financial statements of the Company and subsidiaries for the year ended on 31 December 2017 is credible and accurate according to the general accounting principles and follows associated rules and regulations.

14 March 2018

On behalf of Scan Inter (Public) Company Limited



(Dr. Thanong Bidaya)
Chairman



(Dr. Littee Kitpipit)
Managing Director

Management Discussion and Analysis (MD&A)

An Analysis on the Operational Results

The consolidated financial statement and separate financial statement are composed according to accounting practices that is generally approved beneath the Accounting Act B.E.2543, mentioning the standards of financial reporting enacted beneath the Accounting Profession Act B.E. 2547 and regulations set by the Securities Commission and SET regarding methods to compose and financial statements beneath the Acts of Securities Commission and SET. The consolidated financial statement and separate financial statement are composed using the original costs criteria to determine the value of the financial statement's components, except for 4 investment types namely, 1. Investments for trading, 2. Mature investments, 3. Investments to sell and 4. General investments depending on the goal while investing. The Management sector will determine the suitable type and revise from time to time.

(Unit: million THB)	2017	%	2016	%	2015	%
Income	2,514.77	100.00	2,508.62	100.00	2,095.04	100.00
Selling costs	(2,076.90)	(82.59)	(1,970.91)	(78.57)	(1,671.90)	(79.80)
Gross profit	437.87	17.41	537.71	21.43	423.14	20.20
Selling expenses	(20.33)	(0.81)	(30.16)	(1.20)	(33.72)	(1.61)
Managing expenses	(175.73)	(6.99)	(147.70)	(5.89)	(153.07)	(7.31)
Profit from exchange rates	0.21	0.01	0.15	0.01	0.51	0.02
Other income	42.82	1.70	14.97	0.60	27.93	1.33
Profit before financial costs and income tax payments	284.85	11.33	374.94	14.95	264.79	12.64
Financial costs	(54.98)	(2.19)	(42.48)	(1.69)	(24.63)	(1.18)
Profit before income tax payments	229.86	9.14	332.49	13.25	240.16	11.46
Income tax	(13.19)	(0.52)	(24.53)	(0.98)	(14.77)	(0.71)
Net profit for the year	216.67	8.62	307.96	12.28	225.39	10.76

Profit (Loss) allocation

The Head Company's equity

Annual profit for the head company	216.67	307.95	225.39
Equity of non-controlling interests	-	0.01	-
Net profit for the year	216.67	307.96	225.39

1. Total income

In 2017, the information divided by sections for the year ended on 31 December 2017 may be concluded as follows,

Total income	2017		2016		Difference	
	Million THB	%	Million THB	%	Million THB	%
1.1 Income from natural gas recurring businesses	1,515.01	59.23	1,718.50	68.09	(203.49)	(11.84)
1.2 Income from automobile sales	774.45	30.28	619.28	24.54	155.17	25.06
1.3 Income from renewable energy businesses	41.34	1.62	-	-	41.34	100.00
1.4 Income from other businesses	183.97	7.19	170.84	6.77	13.13	7.69
Total income from sales and services	2,514.77	98.32	2,508.62	99.40	6.15	0.25
Other income and profit from exchange rates	43.03	1.68	15.12	0.60	27.91	184.59
Total	2,557.80	100.00	2,523.74	100.00	34.06	1.35

For the year ended on 31 December 2016 and 2017, the Company gained income from sales and services totaling 2,508.62 million THB and 2,514.77 million THB accordingly, increasing by 6.15 million THB or 0.25%. This results from greater profit from the industrial compressed natural gas (iCNG) business, gas system installation for vehicles business, automobile sales business and the renewable energy business with details as follows,

1.1 Natural gas recurring businesses

Natural gas recurring businesses	2017		2016		Difference	
	Million THB	%	Million THB	%	Million THB	%
NGV service station business	455.37	17.80	512.93	20.32	(57.56)	(11.22)
Industrial compressed natural gas (iCNG) business	306.75	11.99	185.35	7.34	121.40	65.50
Private Mother Station (PMS) business*	279.67	10.94	329.70	13.06	(50.03)	(15.17)
Third Party Logistics (TPL) business	144.18	5.64	171.62	6.80	(27.44)	(15.99)
EPC and maintenance business	276.08	10.79	484.44	19.20	(208.36)	(43.01)
Gas system installation for cars business	52.96	2.07	34.46	1.37	18.50	53.69
Total from natural gas recurring businesses	1,515.01	59.23	1,718.50	68.09	(203.49)	(11.84)

Note : * income from EPC & maintenance business is included in the income of the Private Mother Station (PMS) which started operating since September 2015 onwards.

For the year ended on 31 December 2016 and 2017, the Company's natural gas recurring businesses totaled 1,718.50 million THB and 1,515.01 million THB accordingly, declining by 203.49 million THB or 11.84%. The cause may be explained as follows,

► **NGV service station business**

For the year ended on 31 December 2016 and 2017 the Company earned income from the NGV service stations business at a total of 512.93 million THB and 455.37 million THB, or 20.32% and 17.80% of the total income accordingly. The income from the NGV service station business in 2017 declined from 2016 by 57.56 million THB or 11.22%, caused by the lessened quantity of gas in the system when gas sources halted distribution for maintenance resulting in a decreased level of NGV consumption.

► **Industrial Compressed Natural Gas (iCNG) business**

SCN started operating and noticing income from the industrial compressed natural gas (iCNG) since quarter 2/2015. Income from the industrial compressed natural gas (iCNG) business for the year ended on 31 December 2016 and 2017 totaled 185.35 million THB and 306.75 million THB or 7.34% and 11.99% of the net income accordingly. The figure increased significantly by 121.40 million THB or 65.50% due to greater popularity of industrial compressed natural gas (iCNG) among more large industrial plants. iCNG has since become well recognized because of its investment-worthy properties that help save production costs. Moreover, iCNG is a clean, environment-friendly energy influencing former customers to increase their consumption volume while new customers started using it instead of original energy types.

► **Private Mother Station (PMS)**

For the year ended on 31 December 2016 and 2017, the Company gained income from the Private Mother Station (PMS) at a total of 329.70 million THB and 279.67 million THB accordingly, or 13.06% and 10.94% of the total income accordingly. Income from PMS in 2017 dropped from 2016 by 50.03 million THB or 15.17%, caused by the lessened quantity of gas in the system when gas sources halted distribution for maintenance resulting in a decreased level of NGV consumption.

► **Third Party Logistics (TPL)**

As for the year ended on 31 December 2016 and 2017, the Company gained revenue from the third-party logistics in NGV at 171.62 million THB and 144.18 million THB or 6.80% and 5.64% of the total income accordingly. TPL income in 2017 declined from 2016 by 27.44 million THB or 15.99% caused by the lessened quantity of gas in the system when gas sources halted distribution for maintenance resulting in a decreased level of NGV consumption.

► **EPC & Maintenance**

For the year ended on 31 December 2016 and 2017 the Company gained revenue from the EPC & maintenance business at 484.44 million THB and 276.08 million THB or 19.20% and 10.79% of the total income accordingly. Income from this business in 2017 declined from 2016 by 208.36 million THB or 43.01%. This is because EPC's income is noticeable once the finished project is delivered, therefore resulting in a different income in each working period. Also, in quarter 1/2017 SCN focused on utilizing existing resources to expand new businesses with recurring income in the future according to Company operation plans e.g. constructing new NGV service stations and solar farms. Thus in quarter 1/2017 the Company did not yet notice high profit from the EPC & maintenance business. At present the Company has completed certain parts of the projects.

Still, the Company is focused in seeking for EPC projects, the Company's main business both locally and internationally, especially in the South East Asian Region. At present, SCN holds EPC back logs for PTT and other private sectors as well as maintenance and operation projects for PTT NGV service stations. Other than mentioned, SCN has pipe placement projects for Ratchaburi Glass Industry Co., Ltd. The total value of EPC is 425 million THB. Still the Company aims to add further EPC back logs in 2018 by approximately 320 million THB. The spare part sales for natural gas recurring businesses gain income of about

50 million THB. Additionally, SCN plans to expand the Testing Service after highly positive feedback from customers was received. These shall contribute to the Company's success in the future.

► **NGV system installation for cars business**

For the year ended on 31 December 2016 and 2017 the Company gained revenue from NGV system installation

for cars at 34.46 million THB and 52.96 million THB or 1.37% and 2.07% of the total income accordingly. Income in 2017 increased from 2016 by 18.50 million THB or 53.69% because in 2017 most taxis must re-register with the Department of Land Transport, thus changing cars and installing new NGV systems.

1.2 Income from the automobile sales business

Income from the automobile sales business	2017		2016		Difference	
	Million THB	%	Million THB	%	Million THB	%
Sales income	727.29	93.91	583.95	94.29	143.34	24.55
Services income	47.16	6.09	33.93	5.48	13.23	38.99
Other income	-	-	1.40	0.23	(1.40)	(100.00)
Total	774.45	100.00	619.28	100.00	155.17	(25.06)

The income from the automobile sales business can be divided into 3 categories as follows,

Income from sales is the income from selling Mitsubishi automobiles which is the main revenue of this business. For the year ended on 31 December 2016 and 2017 the Company earned revenue from sales at 583.95 million THB and 727.29 million THB accordingly or 94.29% and 93.91% of the income from automobile sales. The income from sales in 2017 increased from 2016 by 143.34 million THB or 24.55%. This is because in 2017 the Mitsubishi Pajero Sport model received interest and excellent response from customers, especially in quarters 3 and 4 of 2017. Additionally, sales promotions added to the increased sales. This is a good signal that Thailand's automobile market is regrowing back to normal once again.

Income from services meaning the income from fixing, maintenance, and selling spare parts Mitsubishi automobiles. As for the year ended on 31 December 2016 and 2017, the Company gained service income at 33.93 million THB and 47.16 million THB or 5.48% and 6.09% of automobiles sales business accordingly. Service income in 2017 increased from 2016 by 13.23 million THB or 38.99% because the Company launched another Mitsubishi service center (Somsarng road branch II) to serve more customers.

Income from other sources meaning income from sales promotional activities that the Company had received from the car leasing company. For the year ended on 31 December 2017, the Company did not receive any other income from this business since the Leasing Company exempted from any sales promotions.

Income from the renewable energy business

Income from the renewable energy business	2017		2016		Difference	
	Million THB	%	Million THB	%	Million THB	%
Income from selling electricity from the solar farm	41.34	100.00	-	-	41.34	100.00
Total	41.34	100.00	-	-	41.34	100.00

Income from the renewable energy business in 2017 totaled 41.34 million THB from 1 ground mounted solar farm for governmental sectors and agricultural cooperations at Bangphasi, Banglane, Nakornpathom which could commercially sell electricity since 29 December 2016, another business with recurring income.

1.3 Income from other businesses

Income from other businesses	2017		2016		Difference	
	Million THB	%	Million THB	%	Million THB	%
Income from selling glass and batteries	32.30	17.56	38.42	22.49	(6.12)	(15.93)
Income from selling carbon dioxide	58.55	31.82	46.38	27.15	12.17	26.24
Income from area rental within the service station.	3.62	1.97	8.77	5.13	(5.15)	(58.72)
Income from rent	17.11	9.30	9.84	5.76	7.27	73.88
Income from transportation	64.17	34.88	54.10	31.67	10.07	18.61
Income from other businesses	8.22	4.47	13.33	7.80	(5.11)	(38.33)
Total	183.97	100.00	170.84	100.00	13.13	7.69

Note: Income from 108 shop in 2016 was changed to area rental within the service station in 2017.

For the year ended on 31 December 2016 and 2017, the Company gained income of 170.84 million THB and 183.97 million THB accordingly. Other income in 2017 increased from 2016 at 13.13 million THB or 7.69%, an income that increased from the transportation business. Still, the Company has no significant plans to grow other businesses since other business's purposes are to support SCN's main business only. The difference may be explained as follows,

Income from selling carbon dioxide

This business is a trade business ran by Siam Vasco Company Limited. The main customer base is NGV service station operators who require carbon dioxide to adjust the heat index of natural gas, following standards set by EPPO. The income in 2016 and 2017 totaled 46.38 million THB and 58.55 million THB accordingly, increased by 12.17 million THB or 26.24% due to increased sales from new customers.

Income from transportation

Kaocharoen Logistics Company Limited operates in transporting and transferring cargo in the Laemchabang deep water pier and Mabtapood industrial estate along to other industrial Estates in Rayong province and nearby provinces. They also operate NGV service stations at Samkok, Pathumthani and Nikompattana district, Rayong province to improve the quality of natural gas following the standards by the EPPO, Ministry of energy. This can be thought of as excellent business collaboration.

Income from rents

For the year ended on 31 December 2016 and 2017, income from rentals totaled 17.11 million THB and 9.84 million THB accordingly, which increased from 2016 by 7.27 million THB or 73.88% from increased rental income.

Other income and profit from exchange rates

Other income consists of interest income, rental income and profit from selling assets etc. For the year ended on 31 December 2016 and 2017, the Company gained

other income totaling 15.12 million THB and 43.03 million THB accordingly. Other income in 2017 increased from 2016 by 27.91 million THB or 184.59% because in 2017 SCN gained profit from selling assets and interest income.

2. Sales costs

The Company's sales costs divided into business groups may be concluded as follows,

Sales costs	2017		2016		Difference	
	Million THB	%	Million THB	%	Million THB	%
Businesses related to natural gas	1,169.75	56.32	1,256.52	63.75	(86.77)	(6.91)
Automobile sales business	720.74	34.70	557.33	28.28	163.41	29.32
Renewable energy business	14.79	0.71	-	-	14.79	100.00
Other businesses	171.62	8.27	157.06	7.97	14.56	9.27
Total	2,076.90	100.00	1,970.91	100.00	105.99	5.38

The total sales costs for the year ended on 31 December 2016 and 2017 totaled 1,970.91 million THB and 2,076.90 million THB accordingly. Sales cost 2017 increased from 2016 by 105.99 million THB or 5.38% due to,

2.1 Sales costs for natural gas recurring businesses

Sales costs from businesses related to natural gas have factors such as materials, personnel expenses and depreciation. As for the year ended on 31 December 2016 and 2017, natural gas recurring businesses totaled 1,256.52 million THB and 1,169.75 million THB or 63.75% and 56.32% of the sales cost accordingly. The sales cost in 2017 declined from 2016 at 86.77 million THB or 6.91%. This is caused by lessened NGV consumption following the overall NGV consumption in Thailand.

2.2 Sales costs for the automobile sales business

For the year ended on 31 December 2016 and 2017, the costs from the automobile sales business equal 557.33 million THB and 720.74 million THB or 28.28% and 34.70% accordingly. The sales costs in 2017 increased from 2016 at 163.41 million THB or 34.70% accordingly. Sales cost in 2017 increased from 2016 by 163.41 million THB or 29.32% , following increased automobile sales volume.

2.3 Sales costs for the renewable energy business

Sales costs for the renewable energy business in 2017 totaled 14.79 million THB from 1 ground mounted solar farm for governmental sectors and agricultural cooperations at Bangphasi, Banglane, Nakornpathom which could commercially sell electricity since 29 December 2016.

2.4 Sales costs of other businesses

Sales costs of other businesses consists mainly of the cost of goods because business operations of other business groups are mostly trade sales for products and goods. For example, the subsidiaries' costs consist of selling carbon dioxide glass and batteries along to costs for the transportation business etc. As for the year ended on 31 December 2016 and 2017, the costs for other businesses equal 157.06 million THB and 171.62 million THB accordingly. Costs for other businesses in 2017 increased from 2016 by 14.56 million THB or 9.27% because of greater costs from the local transportation business which the Company acquires since March 2016 onwards as well as other business's costs that are consistent to the increased income.

3. Gross profit and gross profit rate

Net gross profit for the year ended on 31 December 2016 and 2017 equal 537.71 million THB and 437.87 million THB accordingly. The gross profit in 2017 decreased from 2016 by 99.84 million THB or 18.57%. The gross profit and gross profits rate of the Company may be divided into business types and are concluded as follows,

Gross profit	2017		2016		Difference	
	Million THB	%*	Million THB	%*	Million THB	%
Natural gas recurring businesses	1,169.75	56.32	1,256.52	63.75	(86.77)	(6.91)
Automobile sales business	720.74	34.70	557.33	28.28	163.41	29.32
Renewable energy business	14.79	0.71	-	-	14.79	100.00
Other businesses	171.62	8.27	157.06	7.97	14.56	9.27
Total	2,076.90	100.00	1,970.91	100.00	105.99	5.38

Note: * calculated from the gross profit divided by the income of that business.

3.1 Gross profit rate from natural gas recurring businesses

The profit rate from natural gas recurring businesses remains highest of all SCN's gross profit rates. As for the year ended on 31 December 2016 and 2017, is a rate of 85.92% and 78.85% of the Company's overall net profit accordingly. As for the year ended on 31 December 2016 and 2017, the Company's NGV service station business earned a gross profit of 461.98 million THB and 345.26 million THB accordingly, or a gross profit rate of 26.88% and 22.79% accordingly. The gross profit in 2017 declined from 2016 by 116.72 million THB or 25.27% from the overall decreased level of NGV consumption in the country. Also, since in quarter 1/2017 SCN delivered the carbon dioxide system installation to the customer, which is a high-valued project that doesn't require complex technology resulting in high competency in the market, the gross profit rate was therefore different than delivered projects in 2016.

3.2 Gross profit from the automobile sales business

As for the year ended on 31 December 2016 and 2017, the gross profit totaled 61.95 million THB and 53.71 million THB, or a gross profit of 10.00% and 6.93% of the business accordingly. The gross profit from the automobile sales business decreased due to heightened competency in the automobile sales business.

3.3 Gross profit from the renewable energy business

As for the year ended on 31 December 2017, SCN gained gross profit of 26.55 million THB, or a gross profit from the renewable energy business of 6.06% from 1 ground mounted solar farm for governmental sectors and agricultural cooperations at Bangphasi, Banglane, Nakornpathom which could commercially sell electricity since 29 December 2016.

3.4 Gross profit from other businesses

As for the year ended on 31 December 2016 and 2017, the Company gained gross profit of 13.78 million THB and 12.35 million THB, or 8.07% and 6.71% of the income from other businesses accordingly. The gross profit in 2017 decreased from 2016 by 1.43 million THB or 10.38 million THB. The gross profit from other businesses in 2017 is slightly different when compared to the previous year.

4. Sales costs

For the year ended on 31 December 2016 and 2017, sales costs total 20.33 million THB and 30.16 million THB accordingly, or 1.20% and 0.81% of the Company's total income. When sales costs are compared, the costs in 2017 decreased from 2016 by 9.83 million THB or 32.59% resulting from the automobile seller adjusted down the advertisements and sales promotions following the automobile market situation. The Company therefore decreased any expenses to suit the business's income.

Sales costs maybe specified as follows,

Sales costs	2017		2016		Difference	
	Million THB	%	Million THB	%	Million THB	%
Advertisement and sales promotional expenses	10.56	51.94	18.11	60.05	(7.55)	(41.69)
Salaries and welfares	5.94	29.22	7.40	24.54	(1.46)	(19.73)
Travel expenses	2.75	13.52	0.79	2.62	1.96	248.10
Brokerage expenses	0.17	0.84	0.45	1.49	(0.28)	(62.22)
Others	0.91	4.48	3.41	11.31	(2.50)	(73.31)
Total	20.33	100.00	30.16	100.00	(9.83)	(32.59)

5. Administrative expenses

As for the year ended on 31 December 2016 and 2017, the Company's administrative expenses are 147.70 million THB and 175.73 million THB or 5.89% and 6.99% of the total income accordingly. For 2017, administrative expenses increased from 2016 at 28.03 million THB or 18.89%.

The Company's administrative expenses may be concluded as follows,

Administrative expenses	2017		2016		Difference	
	Million THB	%	Million THB	%	Million THB	%
Personnel and welfare expenses	89.24	50.78	84.74	57.37	4.50	5.31
Depreciation and amortization expenses	24.27	13.81	20.26	13.72	4.01	19.79
Banking fees and other fees	7.61	4.33	12.79	8.66	(5.18)	(40.50)
Utility expenses	6.73	3.83	6.79	4.60	(0.06)	(0.88)
Maintenance expenses	1.77	1.01	1.17	0.79	0.60	51.28
Insurance expenses	2.17	1.23	2.76	1.87	(0.59)	(21.38)
Others	43.94	25.01	19.19	12.99	24.75	128.97
Total	175.73	100.00	147.70	100.00	28.03	18.98

Administrative expenses in 2017 differ from 2016 significantly with details as follows,

Personnel and welfare expenses in 2017 increased from 2016 by 4.50 million THB or 5.31% because in 2017, the Company hired more personnels from business expansion and to support the Company growth.

Depreciation and amortization expenses in 2017 the amortization increased from 2016 by 4.01 million THB or 19.79% resulting from further acquired asset; 1 ground mounted solar farm for governmental sectors and agricultural cooperations at Bangphasi, Banglane, Nakornpathom which could commercially sell electricity since 29 December 2016.

6. Financial costs

The majority of financial costs result from interest on loans from commercial banks and leasing contracts. At present the Company has a credit line as capital flow and long-term loans with many commercial banks within the country. As for the year ended on 31 December 2016 and 2017, the Company had financial costs at 42.48 million THB and 54.98 million THB accordingly. Financial costs in 2017 increased from 2016 at 12.50 million THB or 29.42% with a main reason from loans of financial institutions for investments in business expansion, especially for NGV service stations, following the Company's business plans along to investments for the solar farm at Nakornpathom.

7. Corporate income tax

For the year ended on 31 December 2016 and 2017, the Company's corporate income tax is 24.53 million THB and 13.19 million THB or an effective tax rate of 7.38% and 5.74% accordingly. The reason why the true corporate income tax in 2017 decreased is because certain businesses (in SCN's case: the solar farm business) is supported by BOI. Also, the accounting policy which calculates the temporary difference between the value of assets and deferred debts that increase or decrease and financial leases of the Company result in decreased corporate income tax expenses in 2017.

8. Net profit

For the year ended on 31 December 2016 and 2017, the net profit totals 307.96 million THB and 216.67 million THB accordingly. Decreasing from 2016 by 91.29 million THB or 29.64%. Due to the various income rates from contracting and construction projects that depend on the level of difficulty of a project. Also, financial costs have increased from the investment in several projects following the Company business plans.

An analysis on the financial status

The Company complied with the fourth edition of the Financial Reporting Standards regarding the assessment whether a contract is a lease contract or not. This affects accounting transactions related to natural gas compressing commencing from 1 January 2014. The financial statement for 2015 and 2016 has been updated to meet the standards as follows,

1. Assets

On 31 December 2017, the Company owned total assets of 4,903.56 million THB, increasing from the end of 2016 by 358.90 million THB or 7.90% resulting from,

(1) Current assets decreased by 102.47 million THB or 6.98% resulting from,

► *Cash and cash equivalents*

The Company's cash and cash equivalents in 31 December 2016 and 2017 equal 284.04 million THB and 164.64 million THB, or 6.25% and 3.36% of the total assets accordingly. Cash and cash equivalents during the end of 2017 decreased than the end of 2016 to 119.40 million THB. This is because by the end of 2017, the Company co-invested in the 489 NGV buses distribution and maintenance project by the cooperation name of SCN-CHO with 50:50 shared responsibilities for the Bangkok Mass Transit Authority (BMTA) following regulations set by BMTA's TOR. This may earn significant income for the Company in 2018.

► *Short-term investments*

On 31 December 2017, the Company and subsidiaries declined the investment rate in short term debts following investment policies in order to invest in 10 year timespan of 489 NGV buses distribution and maintenance project for the Bangkok Mass Transit Authority (BMTA).

► *Account receivables and other receivables*

The account receivables and other receivables of the Company may be specified into 2 parts as follows,

- Net account receivables

The Company's net account receivables on 31 December 2016 and 2017 total 102.71 million THB and 167.25 million THB accordingly. The account receivables in 2017 increased from 2016 at 64.54 million THB or 62.84% because in 2017 the Company gave credit to new iCNG customers and new customers from original NGV service stations, which are normal trade receivables. The Company has a policy to closely monitor debtors and has employers to keep a detailed track of payments resulting in complete debt collecting.

- Accrued income

Accrued income is the revenue which the Company already recognized as income even though having yet received payments from customers. The customer however has already received the completed project, but may still be under the process of checking and verifying the documents for internal payment procedures or within the process of the customers' payment procedures. Most originate from contracts between the Company and PTT. The Company makes contracts with PTT continuously. The Company has accrued income not exceeding 1 year at the present. The accrued income of the Company on 31 December 2016 and 2017 are 216.62 million THB and 150.63 million THB accordingly. The accrued income by the end of 2017 decreased since the Company had delivered projects in 2017 and has already collected the payment.

(2) Non-current assets

- Property, buildings and equipment

Increased from 2016 at 16.60 million THB or 0.68% mainly due to purchasing land to build NGV service stations as well as selling subsidiary assets.

- Other non-current assets

Other non-current assets increased at 430.71 million THB from deposit money of 426 million THB paid to BMTA as a guarantee for the trade and maintenance contract for

489 air-conditioned NGV buses in December 2017.

2. An analysis of investment fund sources

2.1 Liabilities

On 31 December 2016 and 2017 the Company held a total liability of 2,037.76 million THB and 2,343.95 million THB accordingly. Total liabilities by the end of 2017 increased from the end of 2016 by 306.19 million THB or 15.02%, caused by NGV service station business expansion and the solar farm following business operation plans. The ratio for liabilities to capital is 2:1, increasing the liability from financial institutes. The Company has a policy to maintain the D/E rate at 2:1.

2.2 Proportion of the shareholders

On 31 December 2016 and 2017, the proportion of the Company's shareholders are 2506.90 million THB and 2559.60 million THB accordingly, increasing from 2016 at 52.70 million THB, which increased from the net profit earned during 2017 of 217 million THB after deducting the dividends from the annual 2016 operational results of 168 million THB, and an increase of other elements at 4 million THB.

3. An analysis on financial liquidity

As for the Company's liquidity for the year ended on 31 December 2017, the Company's cash flow decreased at 119.42 million THB on 31 December 2016 and 2017. The Company's liquidity ratio is 1.25 times and 0.93 times accordingly. Details of the cash flow for each activity are as follows,

3.1 Cash flow from operating activities

For the accounting year ended on 31 December 2016 and 2017, the Company has cash flow from operating business activities totaling 315.64 million THB and 145.72 million THB accordingly.

As for the accounting year ended on 31 December 2017, the cash flow from operating activities of

the Company equal 145.72 million THB. The cash flow from this activity mostly originates from the Company's operation profits totaling 229.86 million THB, when adjusted by non-cash expenses such as depreciation and amortization of 191.63 million THB. The cash flow increased resulting from lesser debtors and others of 16.67 million THB. Other than this, cash flow decreased from insurance for the 489 NGV buses contracts of 415.17 million THB. Also, including the increased accounts payable and other payables of 41.60 million THB and paying for interests and income tax at 78.51 million THB.

As for the accounting year ended on 31 December 2016, net cash flow from operating activities of the Company equal 145.72 million THB. Cash flow from operating activities mostly originates from profit in the Company's operations of 332.49 million THB, adjusted with non-cash expenses such as depreciation and amortization of 166.82 million THB. Cash flow decreased from more account receivables and other debtors of 28.8 million THB. The cash flow decreased from the risen amount of debtors by leasing contracts of 15.73 million THB. Other than this, cash flow also decreased from the larger number of remaining goods at 107.69 million THB, and lesser trade payables and other creditors of 206.57 million THB and payments for interests and income tax of 64.82 million THB.

3.2 Cash flow from investment activities

For the accounting year ended on 31 December 2016 and 2017, the Company has cash flow from investment activities of 405.12 million THB and 137.87 million THB accordingly.

For the accounting year ended on 31 December 2017, net cash flow from investment activities of the Company equal 137.87 million THB, which is the 15 million THB deposit amount to acquire subsidiaries, investment in the solar power business, assets investment, factories and other equipment of 173.23 million THB.

For the accounting year ended on 31 December 2015, the net cash flow from investment activities of the Company equal 405.12 million THB, mostly from investments in lands of the subsidiaries, investment in the solar power business, assets investment, factories and other equipment of 416.23 million THB.



3.3 Cash flow from income raising activities

For the accounting year ended on 31 December 2016 and 2017, SCN gained cash flow from income raising activities by 387.32 million THB and 58.79 million THB accordingly.

For the accounting year ended on 31 December 2017, the net cash flow received income raising activities totaled 58.79 million THB. The main reason is a short-term loan of 209.67 million THB from financial institutions and net cash from long term loans from financial institutions totaling 63.88 million THB. Still the Company paid dividends from operational results in 2016 to the shareholders of 168 million

THB and paid the debts from leasing contracts of 66 million THB.

For the accounting year ended on 31 December 2016, the net cash flow received from income earning activities of the Company equal 387.32 million THB, resulting from short-term loans from financial institutions of 402.48 million THB and cash from the long term loans from financial institutes totaling 188.40 million THB. However, the Company pays dividends from operational results in 2015 to shareholders totaling 120.00 million THB and paid liabilities following the financial lease of 85.00 million THB.

Independent Auditor's Report

To the shareholders of Scan Inter Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Scan Inter Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of income for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Impairment of goodwill. The matter was 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 the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Impairment of goodwill</p> <p>Refer to Note 14 to the consolidated financial statements, as at 31 December 2017, the Group has goodwill of Baht 211 million. Of which, Baht 200 million arose from business combination of a subsidiary which relates to gas-related business. According to TAS 36 Impairment of assets, an assessment is required annually to establish whether an impairment of goodwill arose from acquiring this subsidiary is required.</p> <p>The management used the present value of the future cash flows expected to be derived from the assets to determine the value-in-use of the goodwill arose from business combination of this subsidiary. This requires the use of a number of key assumptions and judgments, which the management needs to carefully and reasonably apply their judgment, including the gross profit margin estimated costs and relevant expenses and discount rates applied. In addition, the management prepared the sensitivity analysis by increase or decrease the key assumptions used in calculation, e.g. increase and decrease in gross profit margin estimates costs and relevant expenses and discount rates. This sensitivity analysis is a tool to help the management in considering whether impairment has incurred.</p> <p>Management has concluded that there is no goodwill impairment of goodwill of Baht 200 million from business combination of the subsidiary. This conclusion was based on value-in-use, which was higher than its carrying value.</p> <p>I focused on this area because of the significant amounts involved. The impairment assessment requires extensive knowledge and experiences in considering the appropriate calculation of the present value of the future cash flows. In addition, many key assumptions are intangible because it is future events.</p>	<p>As part of our audit, I, among other things, evaluated the appropriateness of the assumptions, the methodology used by management to prepare its cash flow forecasts and the mathematical accuracy of the model used for the impairment testing. In particular, I performed the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding and assessing the reasonableness of business plans by comparing the assumptions to past performance and challenging with the management; • Assessing the reasonableness of the key assumptions based on information of the business and industry; • Test mathematical accuracy of the present value of future cash flows; • Testing the mathematical accuracy of sensitivity analysis, and considering the appropriateness of the adjustments made to key assumptions. <p>From the procedures performed, I found that the assumptions made by management in relation to the value-in-use calculation sound reasonable and are supported by appropriated evidence. Based on our testing, I do not found significant exceptions.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude the appropriateness of the directors' 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 and the Company's ability to continue as going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

PricewaterhouseCoopers ABAS Ltd.

Chaisiri Ruangritchai

Certified Public Accountant (Thailand) No. 4526

Bangkok

22 February 2018

Scan Inter Public Company Limited
Statement of Financial Position
As at 31 December 2017

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
SCAN INTER PUBLIC COMPANY LIMITED		Notes			
Assets	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
Current assets	31 DECEMBER 2017				
Cash and cash equivalents	7	164,641,150	284,042,895	134,904,655	237,934,465
Short-term investments		-	12,155,298	-	6,909,584
Trade and other receivables, net	8	337,733,760	355,702,354	320,740,917	329,328,764
Current portion of finance lease receivables	9	15,342,101	11,657,042	15,342,101	11,657,042
Current portion of long-term loans to related parties	34	-	-	5,424,000	5,424,000
Inventories, net	10	834,557,342	785,870,478	826,677,164	779,871,633
Other current assets		12,808,772	18,125,272	9,378,838	15,802,203
Total current assets		1,365,083,125	1,467,553,339	1,312,467,675	1,386,927,691
Non-current assets					
Restricted cash		10,782,570	10,001,004	6,881,550	10,001,004
Finance lease receivables, net	9	214,884,969	220,511,470	214,884,969	220,511,470
Long-term loans to related parties	34	-	-	134,715,298	92,178,310
Investments in subsidiaries	11	-	-	545,955,408	543,705,408
Investment properties, net	12	27,160,039	38,108,739	26,317,799	27,811,259
Property, plant and equipment, net	13	2,438,433,309	2,421,832,397	1,803,389,590	1,857,434,184
Goodwill	14	210,786,776	210,786,776	-	-
Intangible assets, net	15	161,484,069	131,623,030	56,629,704	17,557,197
Deferred tax assets	16	1,236,884	1,240,487	-	-
Other non-current assets	17	473,705,962	42,999,481	471,960,012	23,817,208
Total non-current assets		3,538,474,578	3,077,103,384	3,260,734,330	2,793,016,040
Total assets		4,903,557,703	4,544,656,723	4,573,202,005	4,179,943,731

Director _____ Director _____

Scan Inter Public Company Limited
Statement of Financial Position (continued)
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	18	992,149,768	782,480,000	992,149,768	782,480,000
Trade and other payables	19	248,439,075	177,217,394	219,931,373	146,692,731
Current portion of long-term loans from financial institutions	20	149,603,997	140,607,255	127,883,997	118,887,255
Current portion of finance lease liabilities	20	65,971,242	64,775,777	50,814,187	46,969,871
Short-term loans from related parties	34	-	-	12,000,000	-
Corporate income tax payables		1,969,439	1,432,726	-	-
Provisions for products and services warranties		3,353,824	5,983,889	3,353,824	5,983,889
Other current liabilities		9,096,528	3,567,004	8,490,849	2,562,702
Total current liabilities		1,470,583,873	1,176,064,045	1,414,623,998	1,103,576,448
Non-current liabilities					
Long-term loans from financial institutions, net	20	592,111,804	537,229,800	514,601,804	437,999,800
Finance lease liabilities, net	20	168,739,106	212,922,670	92,382,741	121,409,250
Deferred tax liabilities	16	76,976,625	80,831,934	30,238,666	28,113,429
Employee benefit obligations	21	21,452,590	18,397,953	17,713,675	15,197,215
Other non-current liabilities		14,091,310	12,314,850	14,091,310	12,314,850
Total non-current liabilities		873,371,435	861,697,207	669,028,196	615,034,544
Total liabilities		2,343,955,308	2,037,761,252	2,083,652,194	1,718,610,992



Scan Inter Public Company Limited
Statement of Financial Position (continued)
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	22				
Authorised share capital					
1,200,000,000 ordinary shares					
at a par value of Baht 0.50 per share		600,000,000	600,000,000	600,000,000	600,000,000
Issued and paid-up share capital					
1,200,000,000 ordinary shares					
fully paid-up of Baht 0.50 per share		600,000,000	600,000,000	600,000,000	600,000,000
Premium on share capital	22	1,346,388,745	1,346,388,745	1,346,388,745	1,346,388,745
Retained earnings					
Appropriated - legal reserve	25	60,000,000	60,000,000	60,000,000	60,000,000
Unappropriated		498,184,860	449,359,032	449,855,835	425,526,359
Other components of equity		55,017,922	51,141,020	33,305,231	29,417,635
Total parent's equity		2,559,591,527	2,506,888,797	2,489,549,811	2,461,332,739
Non-controlling interests		10,868	6,674	-	-
Total equity		2,559,602,395	2,506,895,471	2,489,549,811	2,461,332,739
Total liabilities and equity		4,903,557,703	4,544,656,723	4,573,202,005	4,179,943,731

1 General information

Scan Inter Public Company Limited ("the Company") is a public limited company, which is listed on the Stock Exchange of Thailand, and is incorporated and domiciled in Thailand. The current address of the Company's registered office is at 355 Bondstreet Road, Bang Phut Sub-district, Pak Kret District, Nonthaburi.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operations of the Group are trade of gas through NGV service stations for vehicle, filling gas of iCNG for industrial, service for quality improvement of natural gas (PMS), transportation of natural gas (TPL), design & installation and repair & maintenance of the natural gas dispenser equipment (EPC), and design & installation of gas system in vehicle and testing of vehicle cylinder, trade of cars and related parts, export glass, solar power plant, trade of carbon dioxide, engine oil and lubricants, and transportation, warehousing and local distribution services.

These consolidated and separate financial statements were authorised by the Board of Directors on 22 February 2018.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention, except investments as explained in Note 2.9.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English-language version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai-language statutory financial statements shall prevail.

2.2 Revised financial reporting standards and related interpretation

2.2.1 Revised financial reporting standards and related interpretation are effective on 1 January 2017

The Group management has determined that the revised financial reporting standards and related interpretation being effective for the accounting periods beginning on or after 1 January 2017 are not significantly impact to the financial statements being presented.

2.2.2 Revised financial reporting standards are effective on 1 January 2018. The Group has not yet adopted these revised standards.

TAS 7 (Revised 2017)	Statement of cash flows
TAS 12 (Revised 2017)	Income taxes
IFRS 12 (Revised 2017)	Disclosure of interests in other entities

The Group management has assessed and considered that the above revised standards will not have a material impact to the Group.

2 Accounting policies (continued)

2.3 Group accounting - Investment in subsidiaries

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.3.2 Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3.3 Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2 Accounting policies (continued)

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated and separate financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income or statement of income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the consolidated and separate statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and separate statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Short-term investments

Short-term investments are investments for the purpose of generating a profit from price changes in a short period of time, not more than three months, from the time of investment and present in current assets. Short-term investments are measured at fair value. Unrealised gains and losses of short-term investments are recognised in the statement of income.

2.7 Trade receivables

Trade receivables are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2 Accounting policies (continued)

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of cars is determined by the specific identification method. Cost of other inventories is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.9 Investments

Investments other than investments in subsidiaries are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- 1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- 2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity
- 3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sales.
- 4) Investment in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2 Accounting policies (continued)

2.10 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment properties also include property that is being constructed or developed for future use as investment property.

Investment properties are measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follow:

Building and building improvements	5 - 20 years
------------------------------------	--------------

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced parts is derecognised.

2.11 Property, plant and equipment

Land is stated at cost. Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items, including borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying assets are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the assets is substantially complete, or suspended if the development of the asset is suspended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and leasehold improvement	5 - 20 years
Machinery	5 - 10 years
Tools and factory equipment	3 - 5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.14).

Gains or losses on disposals of assets are determined by comparing proceeds with the carrying amount and are recognised within "Other gains or losses, net" in the statement of income.

Property, plant and equipment are measured at cost less accumulated depreciation. Initial costs would include direct costs related to the acquisition. All other borrowing costs are recognised as an expense in the statement of income.

2 Accounting policies (continued)

2.12 Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separated reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.13 Intangible assets

2.13.1 Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding 20 years.

2.13.2 Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives between 5 - 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.13.3 Right in gas operating agreements

Acquired right in gas operating agreements are capitalized on the basis of the costs incurred to acquired. These costs are amortised over their estimated useful lives which was the period of gas operating agreements that not over 22 years.

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (continued)

2.15 Leases

Where a Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset. Unless there is a reasonable certainty the lessee will obtain ownership of the asset by the end of the lease term in which case it should be depreciated over the shorter period of the useful life of the asset or the lease term.

Where a Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Determining whether an arrangement contains a lease

The determination of whether an arrangement is or contains a lease shall be based on the substance of the arrangement, and not merely the legal form. It requires an assessment of whether (a) the fulfilment of the arrangement is dependent on the use of specific assets and (b) the arrangement conveys a right to use such assets.

If the arrangement is a lease or contains a lease, payments and other consideration required by the arrangement shall be separated into those for the lease and those for other elements (e.g. for services and the cost of inputs) on the basis of their relative fair value. The lease element of the arrangement shall be classified as a finance lease or an operating lease.

Lease in which a significant portion of the risk and reward of ownership retained by the lessee is classified as finance lease. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income (interest income from finance lease receivable) is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Moreover, the Group recognises revenue from finance lease service when the service according to lease agreement is rendered to customers. Revenue from finance lease service comprises income from gas compression service and other revenue from services derived from the finance lease receivable, and is related to the use of assets under the finance lease agreement.

Lease in which a significant portion of the risk and reward of ownership retained by the lessor is classified as operating lease. Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income is recognised on the straight-line basis over the lease term.

Contingent rents are recognised in the statement of income in the period in which they are incurred. Contingent rent is that portion of lease payments that is not fixed in amount but varies based on a future factor, such as the amount of sales or production.

2 Accounting policies (continued)

2.15 Leases (continued)

Sale and leaseback transactions

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount will be deferred and amortised over the lease term. If a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value or below fair value, any profit or loss will be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it will be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value will be deferred and amortised over the period for which the asset is expected to be used. The lease payment for operating lease is a normal transaction and any profit or loss is recognised immediately in the statement of income.

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 Accounting policies (continued)

2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred taxes. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

Retirement benefits

Group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan, which is provident fund, is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using [market yield of high-quality corporate bonds /market yield of government bonds] that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Gains and losses arising from remeasurements experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2 Accounting policies (continued)

2.19 Share-based payment

The Group has an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employees services received in exchange for the grant of the share is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the share granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions, such as profitability, sales growth targets, and remaining an employee of the entity over a specified time period; and
- including the impact of any non-vesting conditions, such as employee security or safety needs.

Non-market performance and service conditions are included in assumption about the number of shares that are expected to rest. The compensation plan is presented under expenses in the statement of income and the share-based payments reserve under other components of equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimate of the fair value of shares that are expected to vest based on non-market vesting conditions. It recognises any impact on original estimates in profit or loss, with a corresponding adjustment to equity.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is recognised when services are rendered. Commission income is recognised on accrual basis in accordance with the substance of the relevant agreements.

Rental income is recognised on a straight-line basis over the lease term. Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividend income is recognised when the right to receive payment is established.

2 Accounting policies (continued)

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders, and the interim dividends are approved by the Board of Directors.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as that makes strategic decisions.

2.25 Financial instruments

Financial assets carried in the statement of financial position include cash and cash equivalents, short-term investments trade and other receivables, finance lease receivable, restricted cash, short-term and long-term loans. Financial liabilities carried in the statement of financial position include bank overdrafts and short-term loans from financial institutions, trade and other payables, long-term loans and finance lease liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rate to have an effect on the Group in the current reporting period and in future years. The Group has not entered into the hedging contracts because the Group assesses that the changes in exchange rates will not significantly affect assets and liabilities dominated in foreign currencies.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate risk arises from change in interest rates, which may have an impact on the Group's and the Company's operations in the current reporting period and in future years. Liabilities which are affected from significant interest rate risk are as follows:

	Consolidated financial statements		Separate financial statements		Interest rate per annum	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht	2017 % per annum	2016 % per annum
Short-term loans from financial institutions	992,150	782,480	992,150	782,480	2.25 - 3.67	2.40 - 3.86
Long-term loans from financial institutions	741,716	677,837	642,486	556,887	Fixed 3.75, Fixed 3.8, Fixed 4.5, THBFIX+2.1, MLR-1.75,	Fixed 3.8, Fixed 4.5, THBFIX+2.1, MLR-1, MLR-1.25, MLR-1.75, MLR-2.5
Finance lease liabilities	234,710	277,698	143,197	168,379	3.64 - 7.12	4.33 - 9.26

3.1.3 Credit risk

The credit risk of the Group is export sales to primarily customers in domestic and overseas. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an amount of committed credit facilities. The Group treasury aims at maintaining flexibility in funding by keeping committed credit facilities available for the operating and investing purpose of the Group in future.

3.2 Derivative financial instruments and hedging activities

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The Group does not recognise foreign currency forward contracts transaction in the financial statements until the contracts are settled. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period, if any.

3 Financial risk management (continued)

3.3 Fair value estimation

As at 31 December 2017, the Group and the Company has no financial assets or liabilities measured with fair value.

The Group and the Company disclosed the book value and fair value of long-term loans from financial institutions, which bear fixed interest rates as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Long-term loans from financial institutions, net				
- Book value (Note 20)	487,306	296,670	487,306	296,670
- Fair value	488,493	293,239	488,493	293,239

The fair values of long-term loans from financial institutions, which bear fixed interest rates, are based on discounted cash flows using discount rates based upon market interest rates for borrowing in the same risk level at the date of the financial statements. The rates are interval from 3.66% p.a. to 4.43% p.a. The fair values are within level 2 of the fair value hierarchy. The fair values of long-term loans from financial institutions, which bear floating interest rates, approximate the carrying amounts.

The fair values of restricted cash, finance lease receivables and finance lease liabilities approximate the carrying amounts, as the impact of discounting is not significant. The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate and are within level 2 of the fair value hierarchy.

The different levels have been defined as follows:

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

4 Critical accounting estimates, assumptions and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Plant and equipment and intangible assets

Management determines the estimated useful lives and residual values of the Group's plant and equipment and intangible assets. The management reviews the calculations of depreciation and amortisation expenses where the estimated useful life and residual value differ from the previous estimation or there is written-off for technically obsolete or non-used assets by sales or abandon.

4 Critical accounting estimates, assumptions and judgments (continued)

4.1 Critical accounting estimates and assumptions (continued)

(b) Retirement benefits

The present value of the retirement obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for retirement benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement liability.

Other key assumptions for retirement benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 21.

(c) Allowances for slow-moving and obsolete inventories

The Group determines the value Allowances for slow-moving and obsolete inventories based on various consisting of the nature of inventories, regular business operations, and expected values of received returns of slow-moving and obsolete inventories. The estimations are based on the experience of the Group to produce and sell inventories. The management reviews these estimates and assumptions on a regular basis.

(d) Estimation of impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit in order to calculate present value. Significant estimates and assumptions used are gross profit, cost and other expenses and discount rate, which reflect risk of the particular cash-generating unit (Note 14). Determination of the assumptions is necessary for the goodwill impairment testing.

(f) Valuation of intangible assets arising from business combination

The Group recognises intangible assets related to the right of gas operating agreements which arose from the business combination arising from business combination on operate NGV gas station business under PTT trademark, at fair value at the date of acquisition. The fair value of intangible assets is appraised by external valuer under the discounted cash flow approach. The valuation methodology, as well as the data and assumptions in the model, will affect the fair value of the intangible assets. Key assumptions used for the valuation includes; revenue growth rates, expected changes to overhead costs to the business, and discounted rates.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group does not apply any financial ratios to monitor its capital. However, the Group has monitored its debt covenants as specified in the loan agreements (Note 20).

6 Segment information

The Group presents segment information, where business segment is presented as the main segment, which is determined by nature of products and services. The segment information is presented on the same basis as that used for internal reporting purpose as provided to the chief operating decision maker, who is the President.

The significant operating segments are as follows:

- Gas related business: trading of gas through NGV service stations for vehicle, filling gas of iCNG for industrial, service for quality improvement of natural gas (PMS), transportation of natural gas (TPL), design & installation and repair & maintenance of the natural gas dispenser equipment (EPC), and design & installation of gas system in vehicle and testing of vehicle cylinder.
- Car dealer and spare parts: trading of cars and related spare parts.
- Export of goods: Export of glass.
- Renewable energy: Solar power plant
- Others: Trading of liquid carbon dioxide, engine oil and lubricants and convenient store, and transportation, warehousing and distribution services.

	Gas related business Thousand Baht	Car dealer and spare parts Thousand Baht	Export glass Thousand Baht	Renewable energy Thousand Baht	Others Thousand Baht	Consolidated financial statements Thousand Baht
For the year ended 31 December 2017						
Sales and service income	1,515,016	774,437	32,299	41,342	151,679	2,514,773
Cost of goods sold and services	(1,169,763)	(720,743)	(27,244)	(14,791)	(144,361)	(2,076,902)
Gross profit	345,253	53,694	5,055	26,551	7,318	437,871
Other income and gain on exchange rate						43,034
Profit before selling and administrative expenses						480,905
Selling and administrative expenses						(196,059)
Profit before finance costs and income tax						284,846
Finance costs						(54,983)
Profit before income tax						229,863
Income tax						(13,191)
Net profit for the year						216,672

Scan Inter Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

6 Segment information (continued)

	Gas related business Thousand Baht	Car dealer and spare parts Thousand Baht	Export of glass Thousand Baht	Others Thousand Baht	Consolidated financial statements Thousand Baht
For the year ended 31 December 2016					
Sales and service income	1,718,502	619,275	38,420	132,418	2,508,615
Cost of goods sold and services	(1,256,515)	(557,333)	(32,867)	(124,196)	(1,970,911)
Gross profit	461,987	61,942	5,553	8,222	537,704
Other income and gain on exchange rate					15,126
Profit before selling and administrative expenses					552,830
Selling and administrative expenses					(177,862)
Profit before finance costs and income tax					374,968
Finance costs					(42,478)
Profit before income tax					332,490
Income tax					(24,531)
Net profit for the year					307,959

The Group operates in Thailand. Its non-current assets and revenue are in Thailand; therefore, the Group does not present the geographical information.

Major customer

During the year ended 31 December 2017, the Group has revenue from major customer in the gas-related business approximately Baht 672.19 million which contributed 26.73% of the Group's total revenues (2016: approximately Baht 868.75 million which contributed 34.64% of the Group's total revenues).

7 Cash and cash equivalents

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Cash on hand	2,151	11,331	359	10,075
Cash at bank - savings accounts	107,431	92,925	86,642	58,457
Cash at bank - current accounts	15,291	10,772	8,136	387
Bills of exchange, net	39,768	169,015	39,768	169,015
Total cash and cash equivalents	164,641	284,043	134,905	237,934

Savings deposits held at call with banks have the average interest rates of 0.36% p.a. to 0.47% p.a. (2016: 0.26% p.a. to 1.06% p.a.). Bills of exchange issued by a listed company in Stock Exchange of Thailand are discounted at 5.50% p.a. to 6.00% p.a. (2016: 5.50% p.a.) and mature within 90 days. The bills will be due within February 2018.

8 Trade and other receivables, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Trade receivables - third parties	167,685	103,769	141,416	77,872
<u>Less</u> Allowance for doubtful accounts	(440)	(1,058)	(206)	(1,058)
Trade receivables - third parties, net	167,245	102,711	141,210	76,814
Trade receivables - related parties (Note 34)	-	-	10,434	1,732
Accrued income	150,626	216,619	150,425	216,619
Deposits for goods	10,597	23,591	10,584	23,456
Prepayments	4,932	8,103	3,623	6,120
Others	4,334	4,678	4,465	4,588
Total trade and other receivables, net	337,734	355,702	320,741	329,329

Outstanding trade receivables - third parties as at 31 December 2017 and 2016 can be analysed as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Not yet due	70,889	37,135	55,740	22,026
Up to 3 months	91,293	59,680	81,266	50,730
3-6 months	3,256	2,434	2,409	1,174
6-12 months	1,807	3,462	1,795	2,884
Over 12 months	440	1,058	206	1,058
Total	167,685	103,769	141,416	77,872
<u>Less</u> Allowance for doubtful accounts	(440)	(1,058)	(206)	(1,058)
Trade receivables - third parties, net	167,245	102,711	141,210	76,814

8 Trade and other receivables, net (continued)

Outstanding trade receivables - related parties as at 31 December 2017 and 2016 can be analysed as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Not yet due	-	-	8,007	1,729
Up to 3 months	-	-	605	3
3-6 months	-	-	1,822	-
Trade receivables - related parties, net	-	-	10,434	1,732

9 Finance lease receivables, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Not later than one year	32,520	28,601	32,520	28,601
Later than 1 year but not later than 5 years	122,241	114,404	122,241	114,404
Later than 5 years	193,056	221,658	193,056	221,658
	347,817	364,663	347,817	364,663
Less Deferred interest income	(117,590)	(132,495)	(117,590)	(132,495)
Present value of finance lease receivables	230,227	232,168	230,227	232,168
Finance lease receivables				
- Current portion	15,342	11,657	15,342	11,657
- Non-current portion	214,885	220,511	214,885	220,511
Finance lease receivables, net	230,227	232,168	230,227	232,168

The present value of finance lease liabilities is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Not later than one year	15,342	11,657	15,342	11,657
Later than 1 year but not later than 5 years	66,719	55,771	66,719	55,771
Later than 5 years	148,166	164,740	148,166	164,740
Present value of finance lease receivables	230,227	232,168	230,227	232,168

10 Inventories, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Raw materials and consumables, net	393,867	405,941	388,866	402,288
Work in process	335,817	238,263	335,817	238,263
Finished goods, net	104,873	141,666	101,994	139,321
Total inventories, net	834,557	785,870	826,677	779,872

As at 31 December 2017, the Group and the Company provided allowance for obsolete inventory in the consolidated and separate financial statements in the amount of Baht 21.60 million and Baht 16.88 million, respectively (2016: Baht 17.18 million and Baht 12.23 million, respectively).

11 Investments in subsidiaries

As at 31 December	Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht
Investments in subsidiaries		
Opening balance	543,705	297,651
Acquisitions of subsidiaries	-	66,054
Additional investment in subsidiary	2,250	180,000
Closing balance	545,955	543,705

The Group and the Company had the following subsidiaries as at 31 December 2017 and 2016.

	Country of incorporation	% Ownership interest		Type of Business
		31 December 2017	31 December 2016	
Direct subsidiaries				
Siamvasco Co., Ltd.	Thailand	100.00	100.00	Trading of liquid carbon dioxide, engine oil and lubricants
Contorno Co., Ltd.	Thailand	99.98	99.98	Export of glass
Kaokong Petroleum Co., Ltd.	Thailand	99.98	99.98	NGV Gas station
Kaocharoen Logistics Co., Ltd.	Thailand	99.98	99.98	Transportation, warehousing and distribution services
Indirect subsidiary (held by Siamvasco Co., Ltd.)				
Warapapha Co., Ltd.	Thailand	100.00	100.00	NGV gas station
N.T. Energy Gas Co., Ltd.	Thailand	100.00	100.00	NGV gas station
B.P.A. Intertrade Co., Ltd.	Thailand	100.00	100.00	NGV gas station (Not yet operated)
Aimmie NGV Co., Ltd.	Thailand	100.00	100.00	NGV gas station (Not yet operated)
Namphong NGV 2558 Co., Ltd.	Thailand	100.00	100.00	NGV gas station (Not yet operated)

All subsidiaries undertaking are included in the consolidation and have share capital consisting solely of ordinary shares. The proportion of the voting rights in the subsidiaries undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

11 Investments in subsidiaries (continued)

Details of investments in subsidiaries are as follows:

As at 31 December	Separate financial statements			
	Paid-up Capital		Cost Method	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Siamvasco Co., Ltd.	200,000	200,000	200,000	200,000
Contorno Co., Ltd.	3,250	1,000	3,250	1,000
Kaokong Petroleum Co., Ltd.	25,250	25,250	276,651	276,651
Kaochaoen Logistics Co., Ltd.	65,000	60,000	66,054	66,054
	<u>293,500</u>	<u>286,250</u>	<u>545,955</u>	<u>543,705</u>

At the Board of Directors' Meeting of Contorno Co., Ltd. on 20 June 2017, the meeting approved the increase in registered share capital of Contorno Co., Ltd. (subsidiary) of Baht 9 million, by issuing additional 90,000 ordinary shares at par value of Baht 100 per share. The subsidiary called the additional paid-up shares at 25% and the Company paid-up the amount of Baht 2.25 million in June 2017. The Company retains the shareholding of 100% in the subsidiary.

As at 31 December 2017, the investment in a subsidiary of the Group of Baht 7.20 million (2016: Baht 7.20 million) is pledged with the financial institution as security for long-term loan (Note 20).

12 Investment properties, net

	Consolidated financial statements		
	Land Thousand Baht	Building Thousand Baht	Total Thousand Baht
As at 1 January 2016			
Cost	15,798	29,890	45,688
<u>Less</u> Accumulated depreciation	-	(6,084)	(6,084)
Closing net book value	<u>15,798</u>	<u>23,806</u>	<u>39,604</u>
For the year ended 31 December 2016			
Opening net book value	15,798	23,806	39,604
<u>Less</u> Depreciation charged	-	(1,495)	(1,495)
Closing net book value	<u>15,798</u>	<u>22,311</u>	<u>38,109</u>
As at 31 December 2016			
Cost	15,798	29,890	45,688
<u>Less</u> Accumulated depreciation	-	(7,579)	(7,579)
Closing net book value	<u>15,798</u>	<u>22,311</u>	<u>38,109</u>
For the year ended 31 December 2017			
Opening net book value	15,798	22,311	38,109
Disposals, net	(9,455)	-	(9,455)
<u>Less</u> Depreciation charged	-	(1,494)	(1,494)
Closing net book value	<u>6,343</u>	<u>20,817</u>	<u>27,160</u>
As at 31 December 2017			
Cost	6,343	29,890	36,233
<u>Less</u> Accumulated depreciation	-	(9,073)	(9,073)
Closing net book value	<u>6,343</u>	<u>20,817</u>	<u>27,160</u>

12 Investment properties, net (continued)

	Separate financial statements		
	Land Thousand Baht	Building Thousand Baht	Total Thousand Baht
As at 1 January 2016			
Cost	5,501	29,890	35,391
<u>Less</u> Accumulated depreciation	-	(6,084)	(6,084)
Closing net book value	5,501	23,806	29,307
For the year ended 31 December 2016			
Opening net book value	5,501	23,806	29,307
<u>Less</u> Depreciation	-	(1,495)	(1,495)
Closing net book value	5,501	22,311	27,812
As at 31 December 2016			
Cost	5,501	29,890	35,391
<u>Less</u> Accumulated depreciation	-	(7,579)	(7,579)
Closing net book value	5,501	22,311	27,812
For the year ended 31 December 2017			
Opening net book value	5,501	22,311	27,812
<u>Less</u> Depreciation	-	(1,494)	(1,494)
Closing net book value	5,501	20,817	26,318
As at 31 December 2017			
Cost	5,501	29,890	35,391
<u>Less</u> Accumulated depreciation	-	(9,073)	(9,073)
Closing net book value	5,501	20,817	26,318

As at 31 December 2017, the fair values of investment properties of the Group and the Company are Baht 42.67 million and Baht 40.10 million, respectively (2016: Baht 74.25 million and Baht 41.81 million, respectively). The investment properties of the Group and the Company were valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued. The Group applies the Market Approach in calculating fair values of investment properties. The fair value is within Level 3 of the fair value hierarchy.

Investment properties of the Group are Baht 22.32 million (2016: Baht 23.81 million) has been pledged as a security for borrowings (Note 20).

Amounts recognised in profit and loss that are related to investment properties are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Rental income	5,700	6,660	5,700	6,660
Direct operating expenses arose from investment properties, that generating rental income for the year	(1,493)	(1,495)	(1,493)	(1,495)

Scan Inter Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

13 Property, plant and equipment, net

	Consolidated financial statements							
	Land Thousand Baht	Building and building improvement Thousand Baht	Machinery Thousand Baht	Factory tools and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 January 2016								
Cost	458,719	681,151	283,191	161,840	50,264	829,523	193,230	2,657,918
Less Accumulated depreciation	-	(124,333)	(62,833)	(93,110)	(31,329)	(485,316)	-	(796,921)
Closing net book value	458,719	556,818	220,358	68,730	18,935	344,207	193,230	1,860,997
For the year ended 31 December 2016								
Opening net book value	458,719	556,818	220,358	68,730	18,935	344,207	193,230	1,860,997
Additions	113,942	2,481	12,623	9,754	3,077	118,844	284,475	545,196
Acquisitions of subsidiaries	111,719	744	-	-	-	77,592	-	190,055
Transfer from inventories	-	-	8,021	-	-	-	-	8,021
Transfer in (out)	-	5,655	6,914	3,275	-	23,283	(39,127)	-
Transfer to inventories	-	-	-	-	-	-	(2,243)	(2,243)
Disposals and write-off, net	-	-	-	(40)	(182)	(19,777)	-	(19,999)
Depreciation charge	-	(38,430)	(33,537)	(15,493)	(6,721)	(66,014)	-	(160,195)
Closing net book value	684,380	527,268	214,379	66,226	15,109	478,135	436,335	2,421,832
As at 31 December 2016								
Cost	684,380	690,031	310,749	174,829	53,159	1,029,465	436,335	3,378,948
Less Accumulated depreciation	-	(162,763)	(96,370)	(108,603)	(38,050)	(551,330)	-	(957,116)
Closing net book value	684,380	527,268	214,379	66,226	15,109	478,135	436,335	2,421,832

Scan Inter Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

13 Property, plant and equipment, net (continued)

	Consolidated financial statements							
	Land Thousand Baht	Building and improvement Thousand Baht	Machinery Thousand Baht	Factory tools and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
For the year ended 31 December 2017								
Opening net book value	684,380	527,268	214,379	66,226	15,109	478,135	436,335	2,421,832
Additions	100,376	4,360	4,935	6,526	1,388	28,525	56,398	202,508
Transfer from inventories	-	-	1,903	472	-	-	-	2,375
Transfer in (out)	14,939	64,798	168,168	5,789	1,069	-	(254,763)	-
Disposals and write-off, net	-	-	-	(58)	(65)	(7,501)	-	(7,624)
Depreciation charge	-	(45,697)	(41,695)	(16,348)	(6,311)	(70,607)	-	(180,658)
Closing net book value	799,695	550,729	347,690	62,607	11,190	428,552	237,970	2,438,433
As at 31 December 2017								
Cost	799,695	759,189	485,755	187,558	55,551	1,050,489	237,970	3,576,207
Less Accumulated depreciation	-	(208,460)	(138,065)	(124,951)	(44,361)	(621,937)	-	(1,137,774)
Closing net book value	799,695	550,729	347,690	62,607	11,190	428,552	237,970	2,438,433

Scan Inter Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

13 Property, plant and equipment, net (continued)

	Separate financial statements							
	Land Thousand Baht	Building and improvement Thousand Baht	Machinery Thousand Baht	Factory tools and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 January 2016								
Cost	292,657	642,842	283,191	125,193	47,706	823,881	192,995	2,408,465
Less Accumulated depreciation	-	(124,304)	(62,833)	(90,306)	(29,253)	(481,630)	-	(788,326)
Closing net book value	292,657	518,538	220,358	34,887	18,453	342,251	192,995	1,620,139
For the year ended 31 December 2016								
Opening net book value	292,657	518,538	220,358	34,887	18,453	342,251	192,995	1,620,139
Additions	66,500	-	3,732	7,387	2,428	1,951	284,475	366,473
Transfer from inventories	-	-	8,021	-	-	-	-	8,021
Transfer in (out)	-	5,655	6,914	3,275	-	23,283	(39,127)	-
Transfer to inventories	-	-	-	-	-	-	(2,008)	(2,008)
Disposals and write-off, net	-	-	-	(40)	(182)	(425)	-	(647)
Depreciation charge	-	(35,650)	(29,366)	(11,021)	(6,425)	(52,082)	-	(134,544)
Closing net book value	359,157	488,543	209,659	34,488	14,274	314,978	436,335	1,857,434
As at 31 December 2016								
Cost	359,157	648,497	301,858	135,855	50,134	849,115	436,335	2,780,951
Less Accumulated depreciation	-	(159,954)	(92,199)	(101,367)	(35,860)	(534,137)	-	(923,517)
Closing net book value	359,157	488,543	209,659	34,488	14,274	314,978	436,335	1,857,434

13 **Property, plant and equipment, net (continued)**

	Separate financial statements															
	Land		Building and building improvement		Machinery		Factory tools and equipment		Furniture, fixtures and office equipment		Vehicles		Construction in progress		Total	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
For the year ended 31 December 2017																
Opening net book value	359,157	488,543	209,659	34,488	14,274	314,978	436,335	1,857,434								
Additions	-	-	5,514	5,936	1,262	28,525	56,273	97,510								
Transfer from inventories	-	-	1,903	472	-	-	-	2,375								
Transfer in (out)	14,939	64,798	168,168	5,789	1,069	-	(254,763)	-								
Disposals and write-off, net	-	-	-	(58)	(68)	(3,464)	-	(3,590)								
Depreciation charge	-	(42,662)	(36,662)	(11,571)	(6,013)	(53,431)	-	(150,339)								
Closing net book value	374,096	510,679	348,582	35,056	10,524	286,608	237,845	1,803,390								
As at 31 December 2017																
Cost	374,096	713,295	477,443	147,994	52,397	874,176	237,845	2,877,246								
Less Accumulated depreciation	-	(202,616)	(128,861)	(112,938)	(41,873)	(587,568)	-	(1,073,856)								
Closing net book value	374,096	510,679	348,582	35,056	10,524	286,608	237,845	1,803,390								

13 Property, plant and equipment, net (continued)

Depreciation expenses of the property, plant and equipment of the Group and the Company are Baht 180.66 million and Baht 150.34 million, respectively (2016: Baht 160.20 million and Baht 134.54 million, respectively) have been charged in cost of goods sold of Baht 154.67 million and Baht 126.84 million, respectively (2016: Baht 140.51 million and Baht 116.04 million, respectively), in administrative expenses of Baht 23.20 million and Baht 20.73 million, respectively (2016: Baht 17.26 million and Baht 16.08 million, respectively), in selling expenses of Baht 0.02 million and Baht - million, respectively (2016: Baht 0.01 million and Baht - million, respectively) and the Group and the Company capitalised as intangible assets under development of Baht 2.77 million (2016: 2.42 million).

The Group and the Company purchased assets are Baht 202.52 million and Baht 97.51 million, respectively (2016: Baht 545.20 million and Baht 366.43 million, respectively). Additions include acquisition of assets under finance lease agreements, where the Group and the Company are the lessees, of Baht 23.14 million and Baht 23.14 million, respectively (2016: the Group acquired Baht 126.79 million and Baht 2.68 million, respectively).

Leased assets included above, where the Group and the Company are lessees under finance leases, comprise machinery, equipment and vehicles, which can be detailed as follows:

Consolidated financial statements				
	Machines Thousand Baht	Factory tools and equipment Thousand Baht	Vehicles Thousand Baht	Total Thousand Baht
As at 31 December 2016				
Cost - capitalised finance leased assets	9,473	440	388,983	398,896
<u>Less</u> Accumulated depreciation	(2,774)	(75)	(71,590)	(74,439)
Net book value	6,699	365	317,393	324,457
As at 31 December 2017				
Cost - capitalised finance leased assets	5,893	-	372,412	378,305
<u>Less</u> Accumulated depreciation	(1,107)	-	(91,666)	(92,773)
Net book value	4,786	-	280,746	285,532
Separate financial statements				
	Machines Thousand Baht	Factory tools and equipment Thousand Baht	Vehicles Thousand Baht	Total Thousand Baht
As at 31 December 2016				
Cost - capitalised finance leased assets	9,473	-	269,445	278,918
<u>Less</u> Accumulated depreciation	(2,774)	-	(66,527)	(69,301)
Net book value	6,699	-	202,918	209,617
As at 31 December 2017				
Cost - capitalised finance leased assets	5,893	-	258,932	264,825
<u>Less</u> Accumulated depreciation	(1,107)	-	(79,245)	(80,352)
Net book value	4,786	-	179,687	184,473

As at 31 December 2017, the Group's credit facilities, bank overdrafts, and borrowings from domestic commercial banks were secured by land, building, and machinery of the Group, with their net book value of Baht 853.76 million (2016: Baht 604.79 million) (Note 18 and 20).

Borrowing costs of Baht 3.28 million (2016: Baht 5.61 million), arising from financing for the construction of buildings and factories, were capitalised and included in "Additions" during the year. A capitalisation rate of 2.96% p.a. (2016: 3.22% p.a.) was used by the Group, which represented the actual borrowing cost of the loan used to finance the project.

14 Goodwill

	Consolidated financial statements	
	2017 Thousand Baht	2016 Thousand Baht
As at 1 January		
Cost	210,787	203,631
<u>Less</u> Provision for impairment	-	-
Net book value	210,787	203,631
For the year ended 31 December		
Opening net book value	210,787	203,631
Acquisition of subsidiary	-	7,156
Closing net book value	210,787	210,787
As at 31 December		
Cost	210,787	210,787
<u>Less</u> Provision for impairment	-	-
Net book value	210,787	210,787

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment, which is gas-related business.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a period of 8 to 13 years.

The key assumptions used for value in-use calculations are as follows:

	Gas-related business
Gross margin	22% p.a.
Discount rate	11% p.a.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

15 Intangible assets, net

For the year ended 31 December 2017

15 Intangible assets, net (continued)

	Separate financial statements				
	Computer Software Thousand Baht	Compensation for the rights of selling electricity Thousand Baht	Research and development Thousand Baht	Intangible assets under development Thousand Baht	Total Thousand Baht
As at 1 January 2016					
Cost	11,659	-	-	8,570	20,229
Less Accumulated amortisation	(4,229)	-	-	-	(4,229)
Closing net book value	7,430	-	-	8,570	16,000
For the year ended 31 December 2016					
Opening net book value	7,430	-	-	8,570	16,000
Additions	90	-	-	2,810	2,900
Amortisation charge	(1,343)	-	-	-	(1,343)
Closing net book value	6,177	-	-	11,380	17,557
As at 31 December 2016					
Cost	11,750	-	-	11,380	23,130
Less Accumulated amortisation	(5,573)	-	-	-	(5,573)
Closing net book value	6,177	-	-	11,380	17,557
For the year ended 31 December 2017					
Opening net book value	6,177	-	-	11,380	17,557
Additions	185	25,000	-	4,206	29,391
Transfer from inventory	-	-	-	12,722	12,722
Transfer in (out) - net	(314)	-	28,622	(28,308)	-
Amortisation charge	(1,079)	(1,000)	(961)	-	(3,040)
Closing net book value	4,969	24,000	27,661	-	56,630
As at 31 December 2017					
Cost	11,475	25,000	28,768	-	65,243
Less Accumulated amortisation	(6,506)	(1,000)	(1,107)	-	(8,613)
Closing net book value	4,969	24,000	27,661	-	56,630

Amortisation expense of Baht 12.25 million (2016: Baht 7.56 million) has been charged in cost of goods sold, of Baht 7.50 million (2016: Baht 4.89 million) in selling expenses and of Baht 4.75 million (2016: Baht 2.67 million) in administrative expenses.

16 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
As at 31 December				
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	5,192	5,457	4,142	4,468
Deferred tax asset to be recovered after 12 months	7,257	6,504	3,358	3,029
	<u>12,449</u>	<u>11,961</u>	<u>7,500</u>	<u>7,497</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	8,591	7,101	4,052	3,655
Deferred tax liabilities to be settled after 12 months	79,598	84,451	33,687	31,955
	<u>88,189</u>	<u>91,552</u>	<u>37,739</u>	<u>35,610</u>
Deferred tax asset, net	<u>(75,740)</u>	<u>(79,591)</u>	<u>(30,239)</u>	<u>(28,113)</u>
Deferred tax assets	1,237	1,240	-	-
Deferred tax liabilities	<u>(76,977)</u>	<u>(80,831)</u>	<u>(30,239)</u>	<u>(28,113)</u>
Deferred tax assets, net	<u>(75,740)</u>	<u>(79,591)</u>	<u>(30,239)</u>	<u>(28,113)</u>

The gross movements of deferred income tax account are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
As at 1 January	(79,591)	(46,086)	(28,113)	(16,119)
Increase from business combinations	-	(22,057)	-	-
Charged/(credited) to profit or loss (Note 32)	3,887	(11,321)	(2,087)	(11,839)
Charged/(credited) to other comprehensive income (Note 32)	<u>(36)</u>	<u>(127)</u>	<u>(39)</u>	<u>(155)</u>
As at 31 December	<u>(75,740)</u>	<u>(79,591)</u>	<u>(30,239)</u>	<u>(28,113)</u>

Scan Inter Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

16 Deferred income taxes (continued)

The movements in deferred tax assets and liabilities during the year are as follows:

	Consolidated financial statements									
	As at		Charged/credited to		As at		Charged/credited to		As at	
	1 January 2016	Acquisitions of subsidiaries	Profit and loss	Comprehensive income	31 December 2016	Profit and loss	Comprehensive income	31 December 2017	As at	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Deferred tax assets										
Allowance for doubtful accounts	36	-	172	-	208	(94)	-	-	114	
Allowance for obsolete inventory	3,099	-	337	-	3,436	885	-	-	4,321	
Provision for products and services warranty	1,582	-	(386)	-	1,196	(524)	-	-	672	
Provision for legal claim	460	-	64	-	524	(524)	-	-	-	
Employee benefit obligations	3,003	-	731	-	3,734	447	-	-	4,181	
Unrealised gain on short-term investments	-	-	-	-	-	-	-	1	1	
Tax loss carried forward	3,017	-	(154)	-	2,863	297	-	-	3,160	
	11,197	-	(764)	-	11,961	487	1	1	12,449	
Deferred tax assets										
Deferred tax liabilities										
The fair values adjustment of assets acquired in business acquisition	(27,288)	(5,160)	1,202	-	(31,246)	6,979	-	-	(24,267)	
Valuation of right in gas operating agreements	(6,930)	(16,897)	1,222	-	(22,605)	1,288	-	-	(21,317)	
Finance lease liabilities, net	(10,839)	-	(5,841)	-	(16,680)	(5,085)	-	-	(21,765)	
Difference in revenue recognition between accounting basis and tax basis	(12,073)	-	(8,668)	-	(20,741)	218	-	-	(20,523)	
Unrealised gain on short-term investments	(31)	-	-	29	(2)	-	2	-	-	
Unrealised actuarial gain (loss) on employee benefits	(122)	-	-	(156)	(278)	-	(39)	-	(317)	
	(57,283)	(22,057)	(12,085)	(127)	(91,552)	3,400	(37)	(37)	(88,189)	
Deferred tax liabilities										

16 Deferred income taxes (continued)

The movements in deferred tax assets and liabilities during the year are as follows (continued):

	Separate financial statements							
	As at		Charged/credited to		As at		Charged/credited to	
	1 January		Profit and		31 December		Profit and	
	Thousand	Baht	Thousand	Baht	Thousand	Baht	Thousand	Baht
Deferred tax assets								
Allowance for doubtful accounts	36		172		208		(199)	9
Allowance for obsolete inventory	2,083		363		2,446		930	3,376
Provision for products and services warranty	1,582		(386)		1,196		(528)	668
Provision for legal claim	460		64		524		(524)	-
Employee benefit obligations	2,453		646		3,099		349	3,447
Unrealised actuarial gain (loss) on employee benefits	185		-		24		-	-
	6,799		859		7,497		27	7,500
Deferred tax assets								
Deferred tax liabilities								
Finance lease liabilities, net	(10,839)		(4,030)		(14,869)		(2,332)	(17,201)
Difference in revenue recognition between accounting basis and tax basis	(12,073)		(8,668)		(20,741)		218	(20,523)
Unrealised actuarial gain (loss) on employee benefits	-		-		-		-	(15)
Unrealised gain on short-term investments	(6)		-		6		-	-
	(22,918)		(12,698)		(35,610)		(2,114)	(37,739)
Deferred tax liabilities								

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 5.55 million in respect of taxable losses amounting to Baht 27.75 million that can be carried forward against future taxable income within 2020 - 2021.

Scan Inter Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

17 Other non-current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Retention	426,084	-	426,084	-
Deposit for purchase of land	-	16,000	-	-
Deposit for subsidiaries (Note 37)	15,000	-	15,000	-
Other deposits	4,599	6,954	2,893	5,263
Withholding tax receivables	18,270	19,720	18,270	18,270
Value added tax receivables	9,000	-	9,000	-
Other guarantees	753	325	713	284
	<u>473,706</u>	<u>42,999</u>	<u>471,960</u>	<u>23,817</u>

As at 31 December 2017, the Company has deposit of Baht 426 million paid to the Bangkok Mass Transit Authority (BTMA) for a guarantee of the contracts for suppliers and repairs and maintenance of 489 buses running on natural gas for vehicles (NGV). This contract is made on behalf of a consortium with Cho Thavee Plc. The bidding was offered to the BTMA on 27 December 2017. The Company will receive this retention back when they completed the conditions according to the contracts. Currently, the parties have been negotiating this matter as well as other conditions in this contract.

18 Short-term borrowings from financial institutions

As at 31 December 2017, the Group and the Company has short-term borrowings from financial institutions of Baht 992 million (2016: Baht 782 million). The short-term borrowings from financial institutions bear the interest rate between 2.25% p.a. and 3.67% p.a. (2016: 2.40% p.a. and 3.86% p.a.). The short-term borrowings have been guaranteed by cash at financial institutions, the Group's land, building and machinery (Note 13). This short-term loan will mature within 1 year. The Group has to comply with terms and conditions, including maintaining certain financial covenants as specified in the credit facilities agreements.

The carrying amounts of short-term borrowings with fixed interest rate approximate their fair values because their maturities are due within one year and the impact of discounting is not significant.

19 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Trade payables	152,603	115,108	133,677	88,881
Trade payables to related parties (Note 34)	-	-	1,600	5,172
Unearned income	28,277	20,921	28,277	20,921
Accrued expenses	26,554	24,861	22,818	21,540
Provision for legal claim	-	2,620	-	2,620
Compensation for the rights of selling electricity	25,000	-	25,000	-
Deferred gains from the sale of property	2,131	-	2,131	-
Deposits	5,099	5,017	1,600	2,104
Other payables	8,775	8,690	4,828	5,455
Total	<u>248,439</u>	<u>177,217</u>	<u>219,931</u>	<u>146,693</u>

The Company is affiliated with Bangpasi Women Agricultural Cooperatives to operate a project of generating electricity from solar farms that are mounted to the ground for governmental organizations and agricultural cooperative. Under this project, the Company was appointed as the project's sponsor and has obtained the rights to operate and sell electricity with the capacity of 5 Megawatts on the Bangpasi subdistrict, Banglane district, Nakhonpathom province from Energy Regulatory Commission. So the Company has obligations to pay the rights of Baht 25 million to the cooperatives within two years after the schedule commercial operation date. As a result, the Company has recognised the rights of selling electricity of Baht 25 million as intangible assets and liabilities on compensation for the rights of selling electricity.

20 Borrowings

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Current portion of long-term loans, net				
Long-term loans from financial institutions	149,604	140,607	127,884	118,887
Finance lease liabilities	65,971	64,776	50,814	46,970
	<u>215,575</u>	<u>205,383</u>	<u>178,698</u>	<u>165,857</u>
Long-term loans, net				
Long-term loans from financial institutions	592,112	537,230	514,602	438,000
Finance lease liabilities	168,739	212,923	92,383	121,409
	<u>760,851</u>	<u>750,153</u>	<u>606,985</u>	<u>559,409</u>
Total borrowings	<u>976,426</u>	<u>955,536</u>	<u>785,683</u>	<u>725,266</u>
Long-term loans from financial institutions	741,716	677,837	642,486	556,887
Finance lease liabilities	234,710	277,699	143,197	168,379
Total borrowings	<u>976,426</u>	<u>955,536</u>	<u>785,683</u>	<u>725,266</u>

20.1 Long-term loans

The movements of long-term loans from financial institutions during the year are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Opening balance	677,837	453,043	556,887	321,943
Acquisition of subsidiaries	-	36,396	-	-
Additions	259,383	617,200	259,383	487,200
Repayments	(195,504)	(428,802)	(173,784)	(252,256)
Closing balance	<u>741,716</u>	<u>677,837</u>	<u>642,486</u>	<u>556,887</u>

As at 31 December 2017, the Group and the Company's long-term loans from financial institutions are long-term loans from commercial banks in Thailand for operation, purchase of machinery and construction of building and factories. The Group and the Company's long-term loans are secured by investment in a subsidiary (Note 11), investment properties (Note 12) and property, plant and equipment (Note 13) of the Group and the Company. The Group and the Company are required to comply with conditions as specified in the loan agreements, including maintaining certain financial ratios.

20 Borrowings (continued)

20.1 Long-term loans (continued)

The interest rate risks of long-term loans from financial institutions of the Group and the Company are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Long-term loans from financial institutions				
- at fixed rates	487,306	296,670	487,306	296,670
- at floating rates	254,410	381,167	155,180	260,217
Total long-term loans	741,716	677,837	642,486	556,887

As at 31 December 2017, the weighted average effective interest rate of the long-term borrowings of the Group and the Company was 3.27% - 4.50% p.a. (2016: 2.25% - 5.95% p.a.)

The fair value of long-term loans from financial institutions, which bear floating interest rates, are disclosed in Note 3.3.

Maturity of long-term loans from financial institutions is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Within 1 year	149,604	140,607	127,884	118,887
Later than 1 year but not later than 5 years	479,062	481,640	401,552	394,760
Later than 5 years	113,050	55,590	113,050	43,240
	741,716	677,837	642,486	556,887

20 Borrowings (continued)

20.2 Finance lease liabilities, net

The Group and the Company have finance lease liabilities for hire purchase agreements with financial institutions relating to machinery, factory equipment and vehicles as follow:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Within 1 year	75,356	76,587	56,535	54,373
Later than 1 year but not later than 5 years	172,111	205,620	96,825	130,334
Later than 5 years	8,837	27,658	-	-
	256,304	309,865	153,360	184,707
Less Deferred interest	(21,594)	(32,166)	(10,163)	(16,328)
Present value of finance lease liabilities	234,710	277,699	143,197	168,379
Finance lease liabilities				
- current portion	65,971	64,776	50,814	46,970
- non-current portion	168,739	212,923	92,383	121,409
	234,710	277,699	143,197	168,379

Maturity of finance lease liabilities is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Within 1 year	65,971	64,776	50,814	46,970
Later than 1 year but not later than 5 years	160,009	186,174	92,383	121,409
Later than 5 years	8,730	26,749	-	-
	234,710	277,699	143,197	168,379

Security of finance lease liabilities is that the Group and the Company will transfer the rights over leased assets to the lessors if the Group breach the contracts,

The fair value of finance lease liabilities is disclosed in Note 3.3.

Credit facilities

As at 31 December 2017, the Group had available unused credit facilities with commercial banks for letters of credit, trust receipt, letters of guarantee, and credit facilities of Baht 2,058 million (2016: Baht 2,311 million).

21 Employee benefit obligations

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Liabilities recognised in the statement of financial position				
Present value of employee retirement benefit obligations	21,453	18,398	17,714	15,197
Transactions recognised in the statement of income employee benefits	5,427	3,315	4,811	2,891
Actuarial loss recognised in other comprehensive income in the period	(196)	(780)	(196)	(806)
Cumulative actuarial gain (loss) recognised in other comprehensive income	(1,581)	(1,385)	(77)	119

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Costs of employee benefits recognised in the statement of income are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Current service costs	2,568	2,010	1,958	1,666
Past service costs	2,581	1,027	2,581	976
Interest costs	278	278	272	249
Closing balance	5,427	3,315	4,811	2,891

The movements in the employee benefit obligations over the year are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Opening balance	18,398	16,491	15,197	13,740
Current service costs	2,568	2,010	1,958	1,666
Past service costs	2,581	1,027	2,581	976
Interest costs	278	278	272	249
	5,427	3,315	4,811	2,891
Remeasurements:				
(Gain)/loss from change in financial assumptions	(196)	(780)	(196)	(806)
Actuarial gain(loss)	(196)	(780)	(196)	(806)
Benefit paid	(2,176)	(628)	(2,098)	(628)
Closing balance	21,453	18,398	17,714	15,197

21 Employee benefit obligations (continued)

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.51% - 1.83%	1.79%	1.83%	1.79%
Salary increase rate	3.00%	3.00%	3.00%	3.00%
Mortality rate	TMO2017	TMO2008	TMO2017	TMO2008

	Consolidated financial statements Impact on employee benefit obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate		Decrease by 3.02% to 9.35%	Increase by 3.44% to 10.48%
Salary increase rate	1.00%	Increase by 3.37% to 11.28%	Decrease by 3.02% to 10.19%

	Separate financial statements Impact on employee benefit obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 3.02%	Increase by 3.44%
Salary increase rate	1.00%	Increase by 3.37%	Decrease by 3.02%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligation to significant actuarial assumptions, the method and the type of assumption used in preparing the sensitivity analysis did not change compared to the previous period.

22 Share capital and premium on share capital

	Number of issued and paid-up shares Thousand shares	Ordinary shares Thousand Baht	Premium on share capital Thousand Baht	Total Thousand Baht
As at 1 January 2016	1,200,000	600,000	1,346,389	1,946,389
Issue of share	-	-	-	-
As at 31 December 2016	1,200,000	600,000	1,346,389	1,946,389
Issue of shares	-	-	-	-
As at 31 December 2017	1,200,000	600,000	1,346,389	1,946,389

23 Dividend payment

On 25 April 2017, the Annual General Meeting of Shareholders of the Company has approved dividend payment for the year 2016 at the rate of Baht 0.14 per share, for 1,200 million shares for a total dividend of Baht 168 million. The Company has paid the dividend on 23 May 2017.

24 Other components of equity

	Consolidated financial statements				
	Other comprehensive income				
	Share-based payment reserves Thousand Baht	Available- for-sale investment Thousand Baht	Total other comprehensive income Thousand Baht	Difference from taking equity of a business combination under common control Thousand Baht	Total other comprehensive income Thousand Baht
As at 1 January 2016	24,750	126	24,876	21,713	46,589
Share-based payment expenses (Note 26)	4,668	-	4,668	-	4,668
Total comprehensive expense for the year	-	(116)	(116)	-	(116)
As at 31 December 2016	<u>29,418</u>	<u>10</u>	<u>29,428</u>	<u>21,713</u>	<u>51,141</u>
As at 1 January 2017	29,418	10	29,428	21,713	51,141
Share-based payment expenses (Note 26)	3,887	-	3,887	-	3,887
Total comprehensive expense for the year	-	(10)	(10)	-	(10)
As at 31 December 2017	<u>33,305</u>	<u>-</u>	<u>33,305</u>	<u>21,713</u>	<u>55,018</u>

25 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. Dividend cannot be paid out of the legal reserve.

26 Share-based payment

The Company's shareholders gave their shares to its directors, employees and supplier of 13.32 million shares on 15 November 2012. The shares have been granted under the condition that the directors and employees have to continuously work for the Company at least 2 years after the expected date that the Company's shares are traded in the Stock Exchange of Thailand ("Silent period"). During the silent period, the directors and employees cannot sell, distribute, transfer, exchange or make any transaction that might cause an obligation to the granted shares. The Company measured the obligation from share-based payment as at the grant date by using discounted cash flow method based on the key assumptions, including the Company's business plan, business circumstances and the probability that directors and employees will entitle to the benefit. The share-based payment transaction caused the Company to recognise cost of sales and administrative expenses of Baht 1.60 million and Baht 2.29 million, respectively, totaling Baht 3.89 million. The Company, has already recognized the share-based payment expenses completely in this year.

Scan Inter Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

27 Revenue

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Revenue from sales and services	2,090,923	2,007,293	1,720,498	1,613,704
Revenue from finance lease	16,944	17,736	16,944	17,736
Revenue from finance lease service	227,511	276,981	227,511	276,981
Revenue from operating lease	50,254	50,254	50,254	50,254
Revenue from operating lease service	96,218	123,662	96,218	123,662
Contingent rent from variable production volume	32,923	32,689	32,923	32,689
Total	2,514,773	2,508,615	2,144,348	2,115,026

28 Cost of sales

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Cost of sales and services	1,870,753	1,737,090	1,553,296	1,408,657
Cost of finance lease and related services	131,523	154,562	131,523	154,562
Cost of operating lease and related services	74,626	79,259	74,626	79,259
Total	2,076,902	1,970,911	1,759,445	1,642,478

29 Other income

For year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Interest income	4,718	4,427	11,414	7,363
Rental income	3,864	1,495	1,025	1,137
Consultant Income	-	-	5,430	-
Gain on disposal of investment properties	15,624	-	-	-
Gain on disposal of property, plant and equipment	8,585	4,828	7,290	1,485
Others	10,026	4,221	8,698	7,982
Total	42,817	14,971	33,857	17,967

30 Finance costs

For year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Interest expenses - Borrowings from financial institutions	42,989	29,194	38,486	24,458
Interest expenses - Finance lease agreements	11,994	13,284	7,586	10,280
Total	54,983	42,478	46,072	34,738

31 Expenses by nature

For year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Changes in inventories of finished goods and work in process	97,554	42,499	97,554	42,499
Raw material and consumables used	557,199	529,764	557,199	529,764
Cost of goods sold	946,901	830,396	721,747	531,425
Employee expenses	241,969	231,472	201,253	197,247
Depreciation and amortisation	190,425	166,824	150,894	134,962

32 Income tax

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current income tax	17,027	13,209	11,940	9,931
Deferred income tax (Note 16)	(3,836)	11,321	2,086	11,839
Total	13,191	24,530	14,026	21,770

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group and the Company as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit before tax	229,863	332,489	206,197	301,174
Tax calculated at a tax rate of 20% (2016: 20%)	45,973	66,498	41,239	60,234
Tax effect of:				
Income not subject to tax	(36,180)	(45,665)	(30,328)	(40,884)
Expenses not deductible for tax purpose	4,755	4,179	4,211	2,900
Additional expenses deductible for tax purpose	(1,357)	(482)	(1,096)	(480)
Income tax	13,191	24,530	14,026	21,770

32 Income tax (continued)

The tax (charge)/credit relating to component of other comprehensive income are as follows:

	Consolidated financial statements					
	2017			2016		
	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht
Change in value of available-for-sale investments	(14)	3	(11)	(144)	29	(115)
Actuarial gain (loss) on retirement benefit obligation	196	(39)	157	780	(156)	624
Other comprehensive Income (expense)	182	(36)	146	636	(127)	509
Current tax		-			-	
Deferred tax (Note 16)		(36)			(127)	
		<u>(36)</u>			<u>(127)</u>	
	Separate financial statements					
	2017			2016		
	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax (charge) credit Thousand Baht	After tax Thousand Baht
Change in value of available-for-sale investments	-	-	-	(28)	6	(22)
Actuarial gain (loss) on retirement benefit obligation	196	(39)	157	806	(161)	645
Other comprehensive Income (expense)	196	(39)	157	778	(155)	623
Current tax		-			-	
Deferred tax (Note 18)		(39)			(155)	
		<u>(39)</u>			<u>(155)</u>	

33 Earnings per share

Basic earnings per share of shareholders of the Company are calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net profit for the year attributable to the parent company (thousand Baht)	216,668	307,953	192,171	279,405
Weighted average number of ordinary shares (thousand shares)	1,200,000	1,200,000	1,200,000	1,200,000
Basic earnings per share (Baht per share)	0.18	0.26	0.16	0.23

There had no issuance of dilutive potential ordinary share during year 2017 and 2016.

34 Related party transactions

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 are related parties of the Company. Subsidiaries and fellow subsidiaries, 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.

As at 31 December 2017, the major shareholder of the Group is Kitpipit family who hold 63.06% of ordinary shares of the Company.

The following transactions were carried out with related parties:

34.1 Sales of goods and services and other revenues

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Revenue from sales				
Subsidiaries	-	-	7,356	17,599
	-	-	7,356	17,599
Revenue from services				
Subsidiaries	-	-	13,228	5,295
Other related parties with the same shareholders and directors	-	2	-	2
	-	2	13,228	5,297
Other income				
Subsidiaries	-	-	5,658	261
	-	-	5,658	261
Rental income				
Subsidiaries	-	-	720	4,100
	-	-	720	4,100
Interest income				
Subsidiaries	-	-	6,329	3,134
	-	-	6,329	3,134

34.2 Purchases of goods and services

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Purchases of goods from subsidiaries	-	-	10,676	50,276
	-	-	10,676	50,276
Purchases of services from subsidiaries	-	-	13,295	8,807
	-	-	13,295	8,807

34 Related party transactions (continued)

The following transactions were carried out with related parties: (continued)

34.3 Outstanding balances arising from sales/purchases of goods/services

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Receivables from: Subsidiaries (Note 8)	-	-	10,434	1,732
	-	-	10,434	1,732
Payables to: Subsidiaries (Note 19)	-	-	1,600	5,172
	-	-	1,600	5,172

34.4 Long-term loans to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Current portion of long-term loans to related parties	-	-	5,424	5,424
Long-term loans to related parties	-	-	134,715	92,178
	-	-	140,139	97,602

The movement of long-term loans to related parties during the year can be analysed as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Subsidiaries				
As at 1 January	-	-	97,602	20,249
Additions	-	-	94,370	88,670
Repayments	-	-	(51,833)	(11,317)
As at 31 December	-	-	140,139	97,602

Loans to related parties bear interest at the rate between 3.50% p.a. and 5.00% p.a. Loans to related parties were presented as long-term loans because the Company will not call the repayment within one year until the subsidiaries have sufficient fund.

34 Related party transactions (continued)

The following transactions were carried out with related parties: (continued)

34.5 Short-term loans from related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Short-term loans from subsidiaries	-	-	12,000	-
	-	-	12,000	-

Loans from related parties bear interest rate at the rate of 5.00% p.a. The loans are due on call and uncollateralised.

34.6 Directors and key management compensation

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Salaries and other short-term employee benefits	28,780	25,535	27,422	24,178
Post-employment benefits	910	1,018	870	964
Share-based payments	1,194	1,433	1,194	1,433
	30,884	27,986	29,486	26,575

35 Commitments and contingent liabilities

35.1 Letter of guarantee

The Group and the Company have contingent liabilities in respect of letters of guarantee of Baht 407.39 million and Baht 398.20 million, respectively (2016: Baht 419.21 million and Baht 415.31 million, respectively) arising in the ordinary course of business that are not anticipated to have any significant liabilities.

35.2 Operating lease commitments

The Group and the Company have commitments from operating leases of machinery, equipment and vehicles as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Not later than 1 year	6,372	8,292	2,536	3,858
Later than 1 year but not later than 5 years	16,188	17,595	1,388	2,071
Later than 5 years	16,977	17,939	-	-
	39,537	43,826	3,924	5,929

35 Commitments and contingent liabilities (continued)

35.3 Capital commitments

The Group and the Company have capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Property, plant and equipment	3,711	65,641	3,711	2,039
Intangible assets	-	8,085	-	8,085

36 Promotional privileges from investment promotion

The Group and the Company have been granted promotional certificates from the Board of Investment as follows:

- Promotional Certificate no. 1892(2)/2551 dated 10 September 2008 for production of NGV machines and equipment for gas stations
- Promotional Certificate no. 1394(1)/2552 dated 26 May 2009 for NGV gas stations for vehicles
- Promotional Certificate no. 1172(1)/2553 dated 17 February 2010 for LPG cylinder
- Promotional Certificate no. 2238(1)/2554 dated 7 October 2011 for CNG cylinder
- Promotional Certificate no. 1261(1)/2557 dated 27 February 2014 for laboratories services

Under the promotional privileges, the Group and the Company is exempted from certain taxes and duties in accordance with the Promotional Certificates, including eight year-exemption from corporate income tax started from the first date when revenue is generated from selling of goods or rendering of services which are promoted. Furthermore, the Company is received a 50% reduction of corporate income tax for the next five-year period after the end of the tax exemption period provided that the Company must comply with terms and conditions specified in the Promotional Certificates.

Below are revenues categorised by promoted and non-promoted businesses where the revenue from promoted business included revenue which is exempted and not exempted from corporate income tax.

For the year ended 31 December	Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht
Promoted businesses	407,440	428,011
Non-promoted businesses	1,736,908	1,687,014
Total revenue	2,144,348	2,115,025

37 Subsequent event after the reporting date

- On 6 December 2017, the Board of Directors' meeting approve to invest in solar power plant business of V.O.Net Biodiesel Asia Company Limited, which received in an electricity with the Provincial Electricity Authority (PEA). On 12 January 2018, the Management Committee's meeting approved to acquire 99.99% of paid registered capital of V.O.Net Biodiesel Asia Company Limited, which received an electricity trading contract with the Provincial Electricity Authority (PEA), totaling 199,997 shares with the amount of Baht 114.40 million. As at 31 December 2017, the Company has deposit for investment in the subsidiary of Baht 15 million (Note 17).
- On 22 February 2018, the Board of Directors' meeting passed a resolution to propose a payment of dividend from net profit for the year 2017 amounting to Baht 0.10 per share, for 1,200 million shares, totalling Baht 120 million. The Board of Directors will propose this matter in the shareholders' meeting to get approval for the dividend payment.



บริษัท สแกน อินเตอร์ จำกัด (มหาชน)
SCAN INTER PUBLIC COMPANY LIMITED

355 ถนนบอนด์สตรีท ตำบลบางพูด
อำเภอปากเกร็ด จังหวัดนนทบุรี 11120

355 Bondstreet Rd., Bangpood, Pakkred Nonthaburi 11120

www.scan-inter.com