



CREATING SUSTAINABLE ENERGY



CREATING SUSTAINABLE ENERGY





SCN-018



สโวน อินเตอร์
SCAN INTER
CREATING SUSTAINABLE ENERGY

อันตราย

CNG

บริษัท สโวน อินเตอร์ จำกัด (มหาชน)

70-6830

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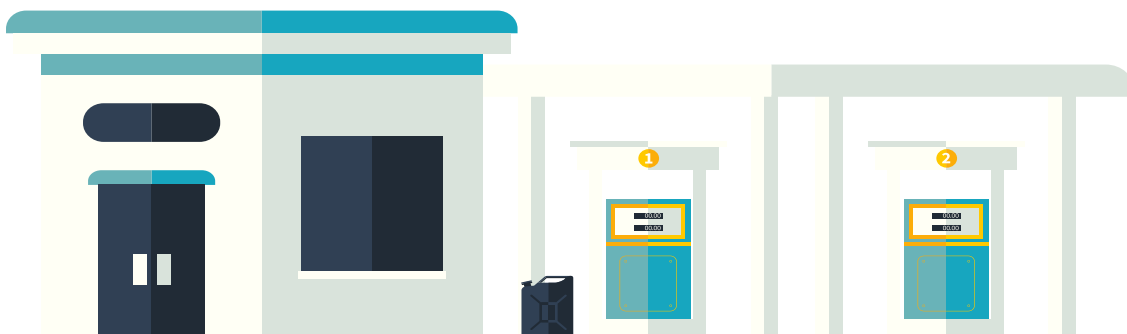
Annual Report 2019

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VISION

Leading energy innovations and technology in Asia Pacific.

MISSION

01 Research and develop energy technology that is clean and sustainable by adapting technology to build value for the business.

02 Create satisfying return for investors.

03 Manage human resources to be qualified, create inspiration and maintain a good relationship with the team in a supportive atmosphere.

04 Plays a part in developing a sustainable environment.



CORPORATE INFORMATION

Message from the Chairman of the Board of Directors

There was a continuous decrease in the overall natural gas consumption in Thailand in 2019, especially in the transport sector, since the government promoted the E20 fuel by decreasing its price to support crude palm oil and generate stable income for farmers. Said factor has affected the NGV business performance. However, the industrial compressed natural gas consumption has increased and the business is also expanding to cover renewable energy, resulting in good overall performance. Moreover, given the unhealthy PM 2.5 situation in the Bangkok Metropolitan Area, the company strongly believes that the government will establish a measure to encourage cleaner overall energy consumption and will resume its support the environment-friendly NGVs.



Dr. Tanong Pittaya
Chairman

Today, renewable energy businesses are becoming more interesting and outstanding, especially solar energy. The company has foreseen the opportunity to invest in the Minbu Solar Power Plant project in Minbu, Myanmar. It is the largest solar power plant in Southeast Asia with a total capacity of 220 megawatts. The commercial operation date (COD) for phase 1 of 50 megawatts was achieved in the previous year. In addition, the solar panel price in China has decreased, resulting in more reasonable production system installation cost compared to the base electricity fee in Thailand. The government also has a policy to promote renewable energy. Therefore, the company still continues the investment in the solar power plant, anticipating better performance in the future.

In the past year, the Thai government had a plan to improve the transport system, which is critical for the country's development regarding public transportation. Bangkok Mass Transit Authority (BMTA)'s vehicles had been in service for 20-30 years and were in a poor condition, causing air pollution and insufficient for the demand. The government planned to purchase new vehicles to serve as private company-run buses and BMTA buses. The company was honored to be part of the livelihood and environment enhancement in this project.

In 2019, Scan Inter Public Company Limited focused on issuing policies that aligned with the government's policies and situations. Despite the COVID-2019 outbreak, the company's core businesses and solar power plant business that started operating last year are expected to remain unaffected since they are operating in countries not directly affected by the problem. The company can still expand and strengthen its core businesses. On behalf of the Board of Directors and the executives, I would like to thank all shareholders, clients, business partners and supporters for their trust and support in the company's businesses. The company promises to operate its businesses with the interest of shareholders, clients, all relevant parties, and the country in consideration, in order to make Scan Inter Public Company Limited a quality organization that sustainably thrives together with the Thai society.

Message from the President of the Executive Committee

The current natural gas consumption situation and the economic condition in Thailand is affecting some parts of the natural gas business operations. This year, the company has a policy to reduce reliance on NGV business and develop the industrial compressed natural gas (iCNG) business, of which the consumption is growing every year. In addition, the company is starting a new iLNG business, which will see a sustainable growth in the future, to replace the decreasing NGV consumption. The company is also collaborating with world-class partners to further develop natural gas-related products in other countries in the region and leverage its expertise on natural resource energy in a clean energy-powered automobile business in order to ensure a stable revenue growth.



A handwritten signature in black ink, consisting of a stylized 'T' followed by a long horizontal line with a small loop at the end.

Mr. Thanchart Kitpipit
President of the Executive Committee

Regarding the renewable energy business, in 2019, thanks to the company's expertise in solar power plant project management, the company's solar power plant project in Minbu, Myanmar achieved commercial operation date (COD) for 1st phase of 50 out of 220 megawatts. Aung San Suu Kyi, the State Counsellor of Myanmar, was present in the launch ceremony. This was a good start that built promising confidence that the project's future performance will be lucrative. In addition, the company foresaw an opportunity to invest in industrial plant rooftop solar power plants. Also, the company has collaborated with expert partner Scan Advanced Power Company Limited (SAP) to invest in private PPA contracts in order to maximize power generation efficiency, with hotels, industrial plants and hospitals as targets.

In the past year, the company has successfully delivered 489 air-conditioned NGVs with repair and maintenance services to BMTA, thanks to the company's core value, over 30 years of natural gas equipment installation experience and business partner with expertise in vehicle body manufacturing and automotive engineering system installation. The partners worked under the name SCN-CHO. This year, the company plans to import coaches and mini-buses from China to align with the policy to replace vans with mini-buses for the passengers' safety. However, the project has been postponed due to the COVID-2019 outbreak. Although the government has issued a long-term measure to solve the PM 2.5 problem by using electric vehicles, the company believes that NGV still remains a good short-term solution in the next 5-10 years.

The achievement in 2019 has demonstrated the vision and determination of the directors and executives who strive to bring value to all stakeholders and performed their best as directors with their experience, knowledge and expertise to define the company strategies and made efficient business decisions. Moreover, the Corporate Governance Code (CG Code) has been applied in business operations to ensure all decisions and operations are aligned, in order for the business to adapt to the situation, thrive, and bring value to the business, the stakeholders and the society.

Message from the Chief Executive Officer

In 2019, the company still focused on organizational development, with special emphasis on strengthening the human resources. Effective management, expert employees, determination, competent partners and continuous operations have contributed to the company's achievement. Moreover, the company adheres to the corporate governance code with transparency, auditability and responsibility to all stakeholders. Regarding organizational ethics and corporate governance, the company has been giving priority to corporate social responsibility (CSR). In 2019, the company organized a total of 21 CSR projects to deliver value to the communities, society, environment and to achieve sustainable and stable growth.

In 2019, despite the significant slow-down of the Thai NGV industry, the company still maintained good performance, seeing a 3.2% increase in EBITDA and 196-million-baht net profit, an increase from the previous year of 9.2%. The contributing factor was the company's profit from the distribution of assets associated with the Mitsubishi distribution business and the profit realized from the solar power plant project in Minbu, Myanmar in the last quarter of the fiscal year.

However, in 2019, the company achieved all its targets. In the first quarter, the joint operational group SCH-CHO delivered 489 air-conditioned NGVs to BMTA. The company also won the contract to provide maintenance services to all 489 vehicles for ten years, generating steady income. As for the solar power plant in Minbu, the company received an official letter of commercial operation date (COD) from the Electric Power Generation Enterprise (EPGE) of Myanmar. The official COD was the project's first achievement. Moreover, the company established Scan Advanced Power Company Limited (SAP) to pioneer the private PPA market and solar rooftop rental contracts. So far, the company has signed contracts with 15 entrepreneurs with a total capacity of over 10 megawatts.

Regarding the 2020 business direction, the company is employing a 3+1 strategy, covering the natural gas business, renewable energy business, automobile business and transport business. The company's three core businesses include 1) Natural gas business, which focuses on energy and natural gas innovation development for daily use, with a policy to expand the iCNG client base to cover industrial plants located away from the pipeline and a plan to expand the business through the iLNG business, in which the company signed a contract with PTT to distribute LNG to industrial plants located away from the pipeline, which will compensate for the NGV business; 2) Renewable energy business, in which the company will continue the investment in the 220-megawatt solar power plant project in Minbu. And in 2020, the revenue will be realized throughout the year. The company also works on the solar rooftop project development with expert partners to pioneer the private PPA market, with a goal of 100-megawatt total installation within 4 years and total project worth of 3 billion baht. It is estimated that the two projects will yield at least 10% IRR, resulting in a continuous performance growth in 2020; and 3) Automobile business, with business restructuring and development and complete manufacturing cycle. It is planned to import coaches and mini-buses to align with the government policy to replace vans with mini-buses for passengers' safety.

Last but not least, we at Scan Inter Public Company Limited believe that years of hard working are starting to yield success and that we will continue on the path of energy business to become Asia Pacific's energy technology and innovation leader. On behalf of all directors and team members, I would like to thank all shareholders and clients, and promise that the Board of Directors will operate the business with the shareholders' best interest as our priority, together with the company ethics and corporate governance code, in order to build a sustainable future and energy resource for our country.



Dr. Littee Kitpipit
Chief Executive Officer

Board of Directors



Dr. Thanong Bidaya
Independent Director / Chairman



Mr. Chamnarn Wangtal
Independent Director / Chairman of
the Risk Management Committee /
Audit Committee



Mr. Vichien Ussanachoti
Independent Director / Audit Committee /
Risk Management Committee /
Nomination, Remuneration and
Corporate Governance Committee



Mrs. Kannika Ngamsopee
Independent Director /
Chairman of the Audit Committee/
Chairman of the Nomination, Remuneration
and Corporate Governance Committee /
Risk Management Committee



**Air Chief Marshal Vorachat
Tharechat**
Independent Director / Audit Committee /
Risk Management Committee



Mr. Thanchart Kitpipit

Director / President of Executive Committee /
Nomination, Remuneration and Corporate
Governance Committee



Dr. Littee Kitpipit

Director / Chief Executive Officer / Executive
Director / Risk Management Committee



Ms. Narissara Kitpipit

Director / Executive Director / Risk Management
Committee / Executive Vice President, Strategic



Mrs. Pimwanitar Jaratpreedar

Director / Executive Director / Corporate Secretary
/ Executive Vice President, Finance

Dr. Thanong Bidaya

Chairman / Independent Director

72 years old



■ Education

- Doctor of Business Administration, Northwestern University, USA
- Master of Economics, Northwestern University, USA
- Bachelor of 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

■ Director/Executive positions in listed Companies

2018 - Present Chairman, Property Perfect (Public) Company Limited
2018 - Present Chairman and Independent Director, S.Khonkaen Foods (Public) Company Limited
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 Company

2010 - Present Chairman, Xayaburi Power Company Limited

■ Company shareholding on the closing date of 4 March 2020

400,000 shares, or 0.03%

Mrs. Kannika Ngamsopee

Independent Director / Chairman of the Audit Committee
Chairman of the Nomination, Remuneration and Corporate
Governance Committee / Risk Management Committee
63 years old



■ Education

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

■ Training History/Certifications

- Director Certification Program (DCP), Class 21/2002
- Risk Management Program for Corporate Leaders (RCL), Class 13/2018
- 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

■ Committee membership or Executive Positions in Listed Companies

- | | |
|----------------|--|
| 2019 - Present | Independent Director and Audit Committee, Siam Makro (Public) Company Limited |
| 2018 - Present | Chairman of the Nomination, Remuneration and Corporate Governance and Risk Management Committee, Scan Inter (Public) Company Limited |
| 2016 - Present | Independent Director and Chairman of Audit Committee, Scan Inter (Public) Company Limited |
| 2018 - Present | Chairman of Audit Committee and Risk Management Committee, Thonburi Healthcare Group (Public) Company Limited |
| 2016 - Present | Independent Director and Audit Committee, Thonburi Healthcare Group (Public) Company Limited |
| 2015 - Present | Independent Director, Audit Committee and Chairman of Risk Management Committee, Global Green Chemicals (Public) Company Limited |
| 2016 - 2017 | Advisor - Internal Control Improvement |
| 2015 - 2016 | First Executive Vice President - Head of Audit Group |
| 2011 - 2015 | First Executive Vice President - Chief Audit and Compliance Office, Siam Commercial Bank Public Company Limited |
| 1999 - 2000 | Committee, The Cogeneration (Public) Company Limited |
| 1995 - 1997 | Assistant Managing Director, Ektanakij Finance (Public) Company Limited |

■ **Committee membership or Executive Positions in other Businesses other than Listed Companies**

2019 - Present	Director, Digital Government Development Agency
2018 - Present	Member of Budget and Finance Subcommittee, Equal Education Fund
2018 - Present	Director, Ar Yu International Hospital, Myanmar
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	Audit Committee, Social Securities Office
2013 - 2017	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)
2013 - 2015	Director, Chairman of Risk Management Committee, National Credit Bureau Company Limited
2009 - 2015	Committee member, Veena Siam Bank
2011 - 2014	Director and Treasurer, Federation of Accounting Professions under Royal Patronage
2002 - 2012	Independent Director and Audit Committee, Finansia Public Company Limited

■ **Company shareholding on the closing date of 4 March 2020**

- none -

Mr. Chamnarn Wangtal

Independent Director / Chairman of the Risk
Management Committee / Audit Committee
67 years old



■ Education

- Master of Finance and Banking, Marshall University, USA
- Bachelor of 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, Audit Committee and Chairman of the Risk Management Committee, Scan Inter (Public) Company Limited
- 2014 - 2018 Chairman of 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

- 2019 - Present Independent Director and Audit Committee, Well Graded Engineering Company Limited
- 2008 - 2009 Director, Bank Thai Assets Management

■ Company shareholding on the closing date of 4 March 2020

- none -

Mr. Vichien Ussanachoti

Independent Director / Audit Committee /
Risk Management Committee / Nomination,
Remuneration and Corporate Governance Committee
65 years old



■ Education

- Master of Engineering, Ohio State University, USA
- Bachelor of Engineering, Chulalongkorn University

■ Training History

- 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

■ Committee membership or Executive Positions in Listed Companies

- 2018 - Present Nomination, Remuneration and Corporate Governance Committee and Risk Management Committee
- 2016 - Present Independent Director and 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

■ Committee membership or Executive Positions in other Businesses other than Listed Companies

- 2019 - Present Independent Director, Scan Advanced Power Company Limited
- 2019 - Present Independent Director, Pyro Energie Company Limited
- 2016 - Present Director, Prolife Company Limited

■ Company shareholding on the closing date of 4 March 2020

- none -

Air Chief Marshal Vorachat Tharechat

Independent Director / Audit Committee /

Risk Management Committee

63 years old



■ Education

Military Education

- 2010 King Prajadhipok's Institute, Class Por.Por.Ror.14)
- 2008 National Defence College of Thailand, NDC Class 51
- 2001 Air War College, RTAF, Class 35
- 1991 Command and Staff College, RTAF, Class 35
- 1987 Squadron Commander Officer Training School, Class 59
- 1980 Kamphaeng Saen RTAF Flying Training School
- 1979 Royal Thai Air Force Academy

Foreign Education

- 1990 Graduated Overseas Joint Warfare Australia
- 1988 Graduated Experimental Test Pilot, NTPS USA

■ WORK EXPERIENCE

■ Director/Executive positions in listed Companies

- 2018 - Present Independent Director, Audit Committee and Risk Management Committee, Scan Inter (Public) Company Limited

■ Director/Executive positions in listed Companies

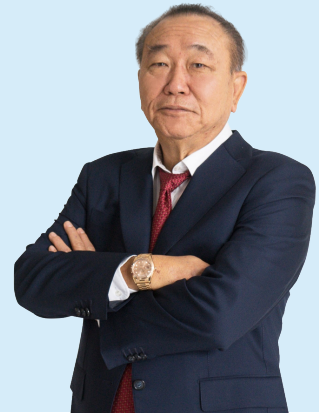
- 2018 - Present Dean, International Aviation College, Nakhon Phanom University
- 2017 Judge, Supreme Military Court
- 2015 - 2016 Army Inspector General, Minister of Defense
- 2014 - 2015 Chairman of The RTAF Advisory Board
- 2014 Special Expert of RTAF
- 2013 - 2014 Commander Security Forces Command, RTAF
- 2012 - 2013 Deputy Commander, Directorate of Air Operations Control
- 2011 - 2012 Commandant, Joint Staff College
- 2009 - 2011 Commandant, Air Command and Staff College

■ Company shareholding on the closing date of 4 March 2020

- none -

Mr. Thanchart Kitpipit

Director / President of Executive Committee /
Nomination, Remuneration and Corporate
Governance Committee
64 years old



■ Education

- Bachelor of 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 Committee and Nomination, Remuneration and Corporate Governance Committee, Scan Inter (Public) Company Limited

■ Director/Executive positions in businesses other than listed Companies

2018 - Present	Director, Green Earth Power (Thailand) Company Limited
2017 - Present	Director, Thanyanat Holding Company Limited
2010 - Present	Director, Controno Company Limited
1991 - Present	Director, Siam Vasco Company Limited
2016 - 2019	Director, Nampong NGV Company Limited
2016 - 2019	Director, Aimmy NGV Company Limited
2016 - 2019	Director, NT Energy Gas Company Limited
2016 - 2019	Director, Scan inter Logistics Company Limited
2015 - 2019	Director, Kaokong Petroleum Company Limited
2015 - 2019	Director, Warapapha Company Limited
2015 - 2019	Director, B.P.A Intertrade Company Limited

■ Company shareholding on the closing date of 4 March 2020

Totaling 736,720,000 shares, or 61.39 %

direct holding : Totaling 716,720,000 shares, or 59.73%

indirect holding : Totaling 20,000,000 shares, or 1.67%

Dr. Littee Kitpipit

Director / Chief Executive Officer / Executive

Director / Risk Management Committee

37 years old



■ Education

- Doctor of Engineering in Energy Engineering, University of Massachusetts, Lowell USA
- Master of Engineering in Energy Engineering, Asian Institute of Technology
- Bachelor of Engineering in Mechanical Engineering, Sirindhorn International Institute of Technology, Thammasat 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

- 2018 - Present Chief Executive Officer, Scan Inter (Public) Company Limited
- 2016 - Present Director, Executive Director and Risk Management Committee, Scan Inter (Public) Company Limited
- 2016 - 2018 Managing Director, Scan Inter (Public) Company Limited
- 2005 - 2016 Director, Executive Director, Risk Management Director and Management and Marketing Director, Scan Inter (Public) Company Limited

■ Director/Executive positions in businesses other than listed Companies

- 2019 - Present Director, Scan Advanced Power Company Limited
- 2018 - Present Director, Green Earth Power (Thailand) Company Limited
- 2017 - Present Director, Thanyanat Holding Company Limited
- 2010 - Present Director, Controno Company Limited
- 2005 - Present Director, Siam Vasco Company Limited
- 2017 - Present Director, V.O. Net Biodiesel Asia Company Limited
- 2016 - 2019 Director, Nampong NGV Company Limited
- 2016 - 2019 Director, Aimmy NGV Company Limited
- 2016 - 2019 Director, NT Energy Gas Company Limited
- 2016 - 2019 Director, Scan inter Logistics Company Limited
- 2015 - 2019 Director and Managing Director, Kaokong Petroleum Company Limited
- 2015 - 2019 Director, Warapapha Company Limited
- 2015 - 2019 Director, B.P.A Intertrade Company Limited

■ Company shareholding on the closing date of 4 March 2020

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

Ms. Narissara Kitpipit

Director / Executive Director / Risk Management
Committee / Executive Vice President, Strategic
33 years old



■ Education

- Master of Science in Risk Management & Financial Engineering, Imperial College Business School, United Kingdom
- Master of Science in Industrial & Systems Engineering, University of Southern California, USA
- Bachelor of Engineering in Industrial Engineering, Sirindhorn International Institute of Technology, Thammasat University

■ Training Program(s)

- Boardroom Success through Financing and Investment (BFI), Thai Institute of Directors (IOD) Class 7/2019
- 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

- 2018 - Present Executive Vice President, Strategic, Scan Inter (Public) Company Limited
- 2016 - Present Director, Executive Director and Risk Management Committee,
Scan Inter (Public) Company Limited
- 2007 - 2016 Director of the Company Secretarial Office, Scan Inter (Public) Company Limited

Director/Executive positions in businesses other than listed Companies

- 2019 - Present Director, Scan Advanced Power Company Limited
- 2018 - Present Director, Green Earth Power (Thailand) Company Limited
- 2017 - Present Director, Thanyanat Holding Company Limited
- 2017 - Present Director, V.O. Net Biodiesel Asia Company Limited
- 2016 - Present Director, Nampong NGV Company Limited
- 2016 - Present Director, Aimmy NGV Company Limited
- 2016 - Present Director and Managing Director, NT Energy Gas Company Limited
- 2015 - Present Director, Kaokong Petroleum Company Limited
- 2015 - Present Director and Managing Director, Warapapha Company Limited
- 2015 - Present Director, B.P.A Intertrade Company Limited
- 2010 - Present Director, Controno Company Limited
- 2005 - Present Director, Siam Vasco Company Limited

Company shareholding on the closing date of 4 March 2020

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

Mrs. Pimwanitar Jaratpreedar

Director / Executive Director / Corporate
Secretary / Executive Vice President, Finance
56 years old



■ **Education**

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

■ **Training Program(s)**

- Effect of Adoption of the Thai Financial Reporting Standard No. 15 & 16 (TFRS 15 & 16) for preparation of financial reports for listed companies, The Stock Exchange of Thailand (SET) Class 2
- Boardroom Success through Financing and Investment (BFI), Thai Institute of Directors (IOD) Class 7/2019
- Strategic CFO in Capital Markets, The Stock Exchange of Thailand (SET) Class 8
- Director Accreditation Program (DAP) Thai Institute of Directors (IOD) Class 151/2018
- Company Secretary Program (CSP) Thai Institute of Directors (IOD) Class 64/2015

■ **Work Experience**

■ **Director/Executive positions in listed Companies**

2018 - Present	Executive Vice President, Finance, Scan Inter (Public) Company Limited
2017 - Present	Director, Executive Director, Scan Inter (Public) Company Limited
2014 - Present	Corporate Secretary, Scan Inter (Public) Company Limited
2014 - 2017	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**

2019 - Present	Director, Green Earth Power (Thailand) Company Limited
2019 - Present	Director, Scan inter Logistics Company Limited
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 4 March 2020**

- none -

Awards of Great Pride

- 01 Zero Accident Award for Transport of Natural Gas for Vehicles (NGV) for the 4th consecutive year



From the PTT Smart Award 2017, which was awarded by PTT Public Company Limited, to the Samkhok Main Gas Station which had received this award. And then in 2013, continuously until 2015, and later in 2017, which is the 4th year that SCN received this award reinforcing the company's commitment to safety management for car transport to reduce serious accidents to zero.

- 02 Awards for Private Natural Gas Service Station Excellent No.1 in 2017



From the PTT Smart Award 2017, which was awarded by PTT Public Company Limited, which the past Samkhok NGV service station of the company had received the station award. Excellent standard NGV service level 4 in 2013 and 2015

- 03 Honor Award from Thailand Voluntary Emission Reduction Program: T-VER



From the event "Hundreds of hearts to help reduce global warming" for the year 2018 organized by the Greenhouse Gas Management Organization (Public Organization) to honor entrepreneurs who are good examples of managing and reducing domestic greenhouse gas emissions. On the occasion of the 5 MW Scan Inter Solar Power Project, located at Bang Len District, Nakhon Pathom province. Helps reduce carbon dioxide emissions by not less than 4,000 tons of carbon dioxide equivalent per year.

- 04 1st Gold Awards for Best NGV Carrier Contract, 2018



From the "Zero accident To Achieve" event of the year 2018, prepared by PTT Public Company Limited, which is the award given to the transport contractor who complies with the safety criteria of the PTT group's products which in the year In 2015, the company received a consolation award, which represents the ability to develop the transportation system to be the highest standard and always adhere to safety first.

Financial Highlights

	(THB mm)		
OPERATING PERFORMANCE	2017	2018	2019
Revenue from sales and services	2,504	3,121	2,972
Gross Profit	441	461	386
EBITDA	477	513	529
Net Profit	217	179	196

	(THB mm)		
FINANCIAL POSITION	2017	2018	2019
Asset	4,892	6,038	4,951
Liabilities	2,332	3,422	2,257
Equity	2,560	2,616	2,694

KEY FINANCIAL RATIOS	2017	2018	2019
Gross Profit Margin (%)	18%	15%	13%
EBITDA Margin (%)	19%	16%	18%
NNP Margin (%)	9%	6%	7%
ROE (%)	8%	7%	7%
ROA (%)	4%	3%	4%
Debt-to-Equity (x)	0.91	1.31	0.84

SHARE INFORMATION 1	2017	2018	2019
Profit/(Loss) per share (THB)	0.18	0.15	0.16
Book value per share (THB)	2.09	2.14	2.19
Dividend per share (THB)	0.10	0.10	0.10
Dividend yield (%)	2.8%	2.4%	4.6%
Outstanding shares (mm)	1,200	1,200	1,200

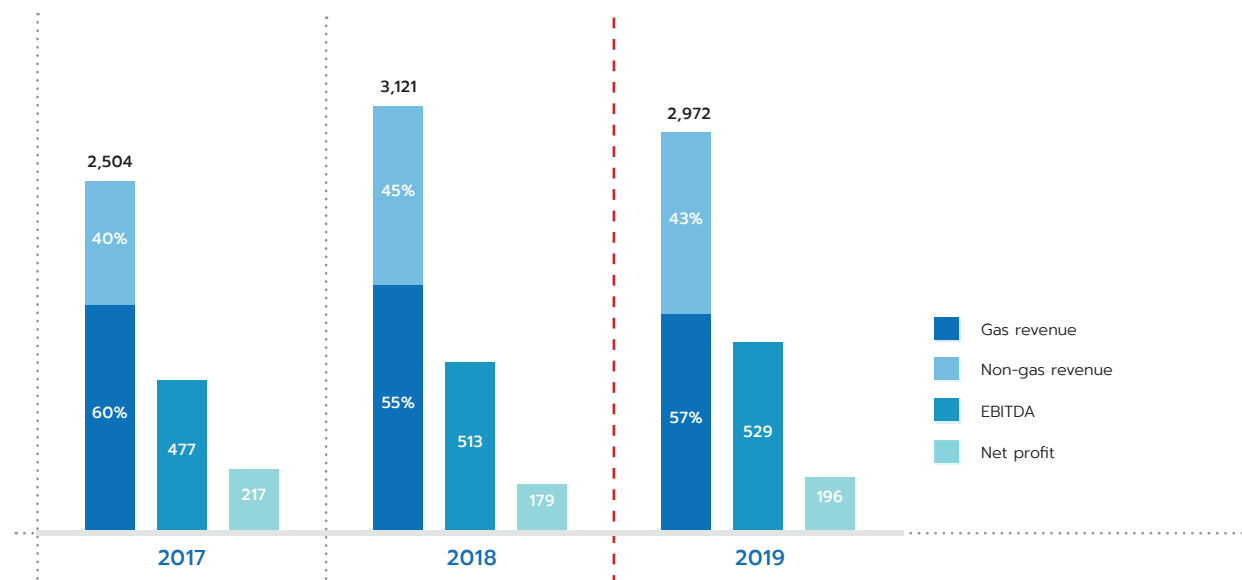
¹ As of share price on end of period in each years

FY2017; 29 Dec 17

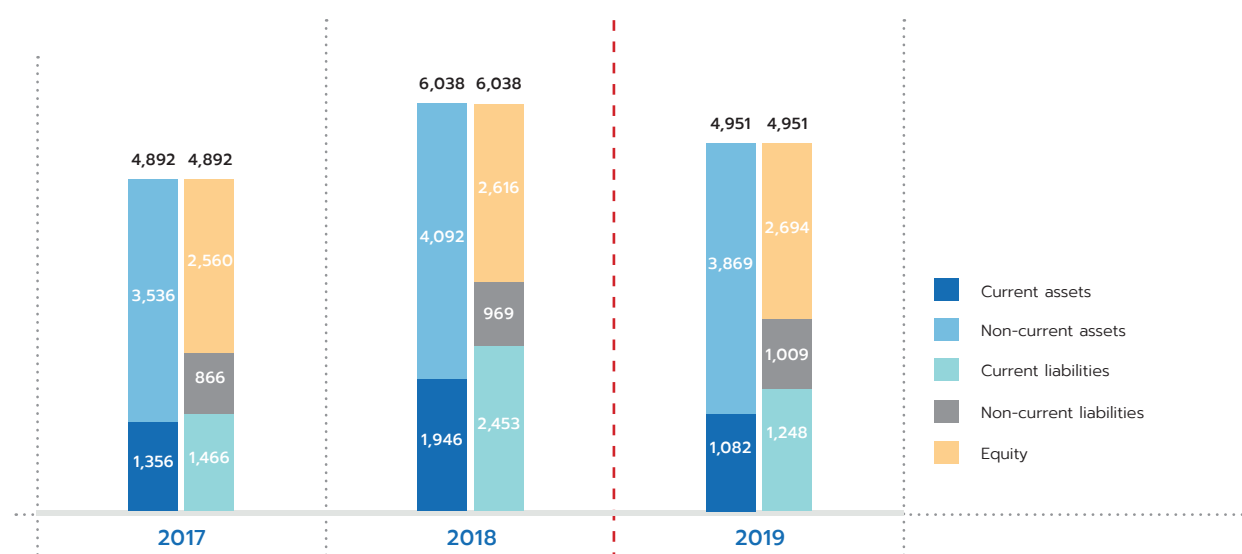
FY2018; 28 Dec 18

FY2019; 30 Dec 19

THB (mm)



THB (mm)



General 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	36.89% (Information on the share register book closing date of 4 March 2020)
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	KPMG Phoomchai Audit Ltd. 195 Empire Tower, 48th - 51st Floor, South Sathorn Road Yannawa, Sathorn, Bangkok 10120
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 2019, no information that may significantly affect the investors' decision making was found.

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



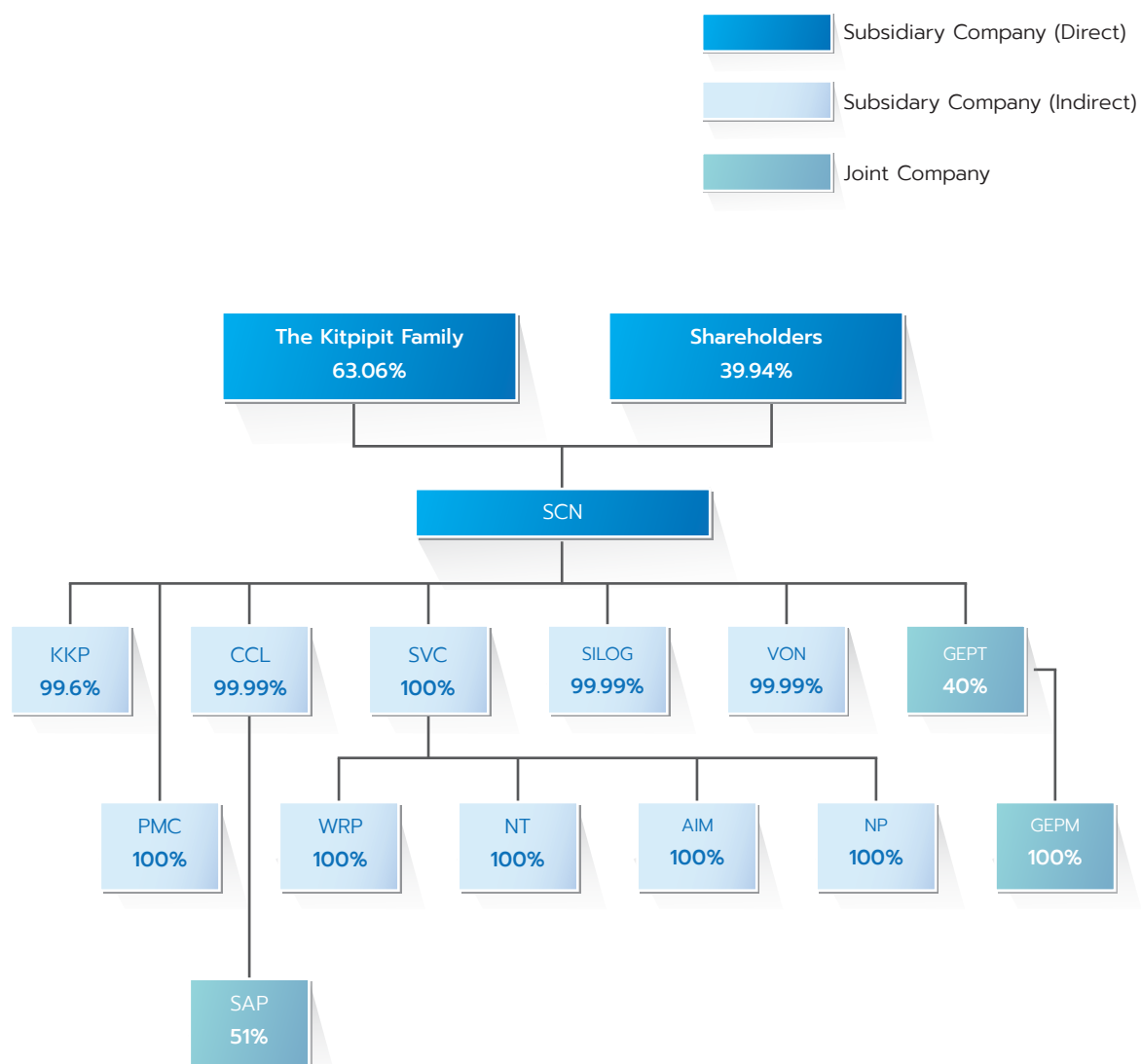
PERFORMANCE OVERVIEW



Shareholding Structure and Company Groups

Shareholding of the company and subsidiaries structure

Given on 31 December 2019



Shareholding of the company and subsidiaries structure

Company's name	Abbreviation	Nature of Business Operation	Registered capital (Million Baht)	Shareholding proportion (Percent)
Scan Inter (Public) Company Limited Address: 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 2503 4116-21 Fax : 0 2503 4400 www.scan-inter.com	SCN	Engages in energy business, especially related to a complete range of the natural gas business operation such as the Private Mother Station business, NGV gas for transportation business, natural gas service station for automotive, design business, contractor business, installation and maintenance of NGV gas equipment business, vehicle gas installation business, car dealership business and other businesses.	605.36	-
Siam Vasco Company Limited Address: 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 25034729-32 Fax: 0 2503 4733	SVC	Holding Company invests in NGV natural gas retail business, including distribution of carbon dioxide, lubricants, tires, car batteries by distributing such products mainly to domestic customers.	200.00	100
Kaokong Petroleum Company Limited Address: 544 Moo 6 Banglamooong-Rayong Street, Tambon MakhamKoo, Amphoe Nikkompattana, Rayong 21180 Tel: 0 3894 9650 Fax : 0 3894 9699	KKP	Engages with NVG gas station business which is conventional station and conducts transactions in the distribution of NGV to customers in the Rayong province and operating retail stores (Inthanin coffee and SPAR)	50.00	99.96
Controno Company Limited Address: 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 2503 4734 Fax : 0 2503 4734	CCL	The business of distributing products such as glass, stainless steel, car tires, car batteries which mainly sells such products to customers in foreign countries such as Laos, Cambodia.	210.00	99.99
Scan Inter Logistics Company Limited Address: 544 Moo 6 Banglamooong-Rayong Street, Tambon MakhamKoo, Amphoe Nikkompattana, Rayong 21180 Tel: 0 3894 9650 Fax : 0 3894 9699	SILOG	Engages with cargo and transportation businesses in the Laem Chabang Deep Sea Port area and Map Ta Phut industrial estate including other industrial estates in Rayong and nearby provinces. (Formerly name is Kaochooen Logistics Company Limited)	65.00	99.99

Company's name	Abbreviation	Nature of Business Operation	Registered capital (Million Baht)	Shareholding proportion (Percent)
V.O. Net Biodiesel Asia Company Limited Address : 223 Moo 15, Huanakham subdistrict, Yangtalat district, Kalasin 46120 Tel: 0 43 124 011	VON	Currently, the company operates a 1.267 MW solar thermal power plant by making the contract of electrical trading with the Provincial Electricity Authority. The company has started to generate electricity since 25 June B.E. 2557 at the basic electricity price plus an adder price of 6.5 baht per unit.	20.00	99.99
Warapapha Company Limited Address : 1/707 Moo 8, Klonggoom, Buenggoom, Bangkok, 10240 Tel: 0 2509 1799 Fax: 0 2509 1799	WRP	Engages with NVG station business for vehicles and conducts transactions in the distribution of natural gas to customers in Bangkok.	7.20	100
NT Energy Gas Company Limited Address : 125, Moo 4, Khok Mai Lai, Muang, Prachinburi 25230 Tel: 0 2503 4116-21 Fax: 0 2503 4400	NT	Engages with NVG station business for vehicles and conducts transactions in the distribution of natural gas to customers in Prachin Buri.	1.00	100
AIMMIE NGV Company Limited Address : 408/2, Moo 8, Muangkao, Kabin Buri, Prachinburi 25240 Tel: 0 2503 4116-21 Fax: 0 2503 4400	AIM	Engages with NGV station business for vehicles which is located in Prachin Buri.	1.00	100
Namphong NGV 2558 Company Limited Address : 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 2503 4729-32 Fax: 0 2503 4733	NP	NGV station business for vehicles which is a conventional station and located in Khon Kaen and operating retail stores (Inthanin coffee)	74.86	100
BPA Intertrade Company Limited Address : 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 2503 4729-32 Fax : 0 2503 4733	BPA	NGV station business for vehicles which is a conventional station and located in Chon Buri.	50.00	100

Company's name	Abbreviation	Nature of Business Operation	Registered capital (Million Baht)	Shareholding proportion (Percent)
Green Earth Power (Thailand) Company Limited Address : 36th Floor Building A, The 9th Tower ,Rama 9, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok, 10310 Tel: 0 2013 7096-7	GEPT	Holding Company has the major objectives of investing in companies that are engaged in the production and distribution of electricity from renewable energy. Currently, the company holds shares in GEP (Myanmar) Company Limited ("GEPM"), who is the operator of the solar thermal power plant development and construction project in Minbu, Myanmar. The size of the installed power total of 220 MW, such the project has a contract of power trading with Electric Power Generation Enterprise (EPGE) for a period of 30 years from the date of electricity supply by GEPT holding 100% of the shares of paid-in capital in GEPM	155.76	40
Panthera Motor Company Limited Address : 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 2503 4116-201	PMC	Engages with automotive business	55.00	100.00
Scan Advance Power Company Limited Address : 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, 11120 Tel: 0 2098 9511	SAP	The objective was to invest in private solar power trading projects, as well as to collaborate with the government as per the renewable energy promotion policy	200.00	51

Securities and shareholders information

Amount of registered capital and paid-in capital.

Given on 31 December 2019, the registered capital of the company is 605,369,091.50 baht paid-in capital is 600,000,000 baht divided into ordinary shares 1,200,000,000 shares and par value is 0.50 baht.

Shareholders

List of the top 15 major shareholders as book closing date of shareholders on 4 March 2020

Order	Shareholder	Amount (Shares)	Shareholding percentage (%)
1	Mr.Thanchart Kitpipit	716,720,000	59.73
2	Bualuang Long-Term Equity Fund	40,355,400	3.36
3	Mrs.Natcha Kitpipit	20,000,000	1.67
4	Mr. Somsak Amornpithak	15,369,500	1.28
5	Bualuang Long-Term Equity Fund 75/25	12,092,500	1.01
6	Ms.Thida Kaewbootta	11,989,800	1.00
7	Mr.Sompol Wongsirichol	10,526,200	0.88
8	Mr. Somsak Tirakanand	10,445,300	0.87
9	Mr.Littee Kitpipit	10,000,000	0.83
10	Ms.Narissara Kitpipit	10,000,000	0.83
11	BERMF	8,049,100	0.67
12	BFLRMF	7,492,600	0.62
13	Mr. Nurak Mahattanaanon	6,997,300	0.58
14	Mrs Pensri Rattanasoonthornkul	6,700,000	0.56
15	Mr.Pailuck Wongwaisayawan	6,300,000	0.53
Total		893,037,700	74.42

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

II The Dividend Policy of the Company and Subsidiary Companies

II The Dividend Policy of the Company

The company has a policy to pay dividends to the shareholders at the rate of no less than 40% of the net profit declared in the Separate Financial Statements after corporate income tax and legal reserve appropriation.

The subsidiary companies have a policy to pay dividends to the shareholders at the rate of no less than 40% of the net profit declared in each Separate Financial Statement after corporate income tax and legal reserve appropriation.

However, the company and subsidiary companies may pay dividends at a reduced rate or not issue any dividend at all, depending on the economic situation, performance, financial situation, liquidity, investment plans, necessity for working capital for expanding the businesses of the company and subsidiary companies, and other relevant factors as deemed appropriate by the Committee and for the greatest interest of the company and the shareholders.

II Paid by the Company and Dividend Subsidiary Companies in 2017, 2018 and 2019

Scan Inter Company Limited (Public Company)

Net Profit Appropriation	2017	2018	2019
Net profit (million baht)	192.17	209.67	219.48
Net profit margin (baht per stock)	0.16	0.17	0.18
Dividend rate (baht per stock)	0.10	0.10	0.10
Dividend paid (million baht)	120	120	120
Dividend payout ratio (%)	62.5%	57.2%	54.7%

Note: The company began selling shares on 23 February 2015.

On 17 February 2020, in the Committee Meeting no. 1/2020, the Committee approved dividend payment from the 2019 operating results at the rate of 0.10 baht per stock, totaling 120 million baht. The Committee will propose the payment in the 2020 Shareholders' General Meeting on 27 April 2020 for approval.

The 2019 Coronavirus ("COVID-19") spread in Thailand has been escalating continuously and affecting more areas. The government has requested collaboration from the private sector to reconsider the necessity of gathering events which increase the risk of spreading the virus. The company has been closely monitoring the situation and concerned about the health and safety of meeting participants and all team members. The current situation may change anytime and it is difficult to predict how the next phase will be.

For the aforementioned reasons, in the Board of Directors Meeting 2/2020 held on 23 March 2020, all factors were thoroughly examined and it has been concluded that:

1. The general shareholders' meeting will be indefinitely postponed. The 2020 general shareholders' meeting and agenda, originally scheduled on 27 April 2020, and the 2020 record date, originally scheduled on 4 March 2020, will be cancelled. The Board of Directors will reschedule the agenda and the meeting and inform the shareholders of the new schedule as soon as the situation improves. The postponement of the general shareholders' meeting will not have any significant effect on the company's operations.
2. On 31 December 2019, interim dividend from company profit of 0.10 baht per stock, totaling at 120 million baht, was approved. 0.0071 baht per stock is due to net profit from juristic person tax exemption and 0.0929 is due to net profit under the juristic person tax rate of 20 percent.

Listed shareholders as of record date, 7 April 2020, are entitled to the interim dividend. The interim dividend will be paid on 22 April 2020.

The Board of Directors has decided that interim dividend will be paid instead of annual dividend to be proposed in the general shareholders' meeting, in order to alleviate the impact on the shareholders from the indefinite postponement of the general shareholders' meeting. The interim dividend payment of 0.10 baht per stock comes from the company profit in 2019. No 2019 annual dividend will be paid.

Subsidiary Companies

Siam Vasco Company Limited

2015 : On 28 December 2015, the Committee of Siam Vasco Company Limited approved interim dividend from retained earnings of 100 baht per stock for 200,000 stocks, totaling 20 million baht.

2016 : No dividend has been considered.

2017 : No dividend has been considered.

2018 : No dividend has been considered.

2019 : No dividend has been considered.

Worapapha Company Limited

2016 : On 10 August 2016, the Committee of Worapapha Company Limited approved interim dividend from retained earnings at the rate of 90.28 baht per stock for 72,000 stocks, totaling 6.50 million baht, in the Committee Meeting.

2017 : On 20 April 2017, the Shareholders' of Worapapha Company Limited approved dividend from operating results at the rate of 69.44 baht per stock for 72,000 stocks, totaling 5 million baht, in the Shareholders' General Meeting.

On 9 August 2017, the Committee of Worapapha Company Limited approved interim dividend from retained earnings at the rate of 62.50 baht per stock for 72,000 stocks, totaling 4.50 million baht, in the Committee Meeting.

2018 : On 6 December 2018, the Committee of Worapapha Company Limited approved interim dividend at the rate of 69.44 baht per stock for 72,000 stocks, totaling 5 million baht, in the Committee Meeting.

2019 : No dividend has been considered.

N. T. Energy Gas Company Limited

2017 : On 15 June 2017, the Shareholders' of N. T. Energy Gas Company Limited approved dividend from operating results at the rate of 300 baht per stock for 10,000 stocks, totaling 3 million baht, in the Shareholders' General Meeting.

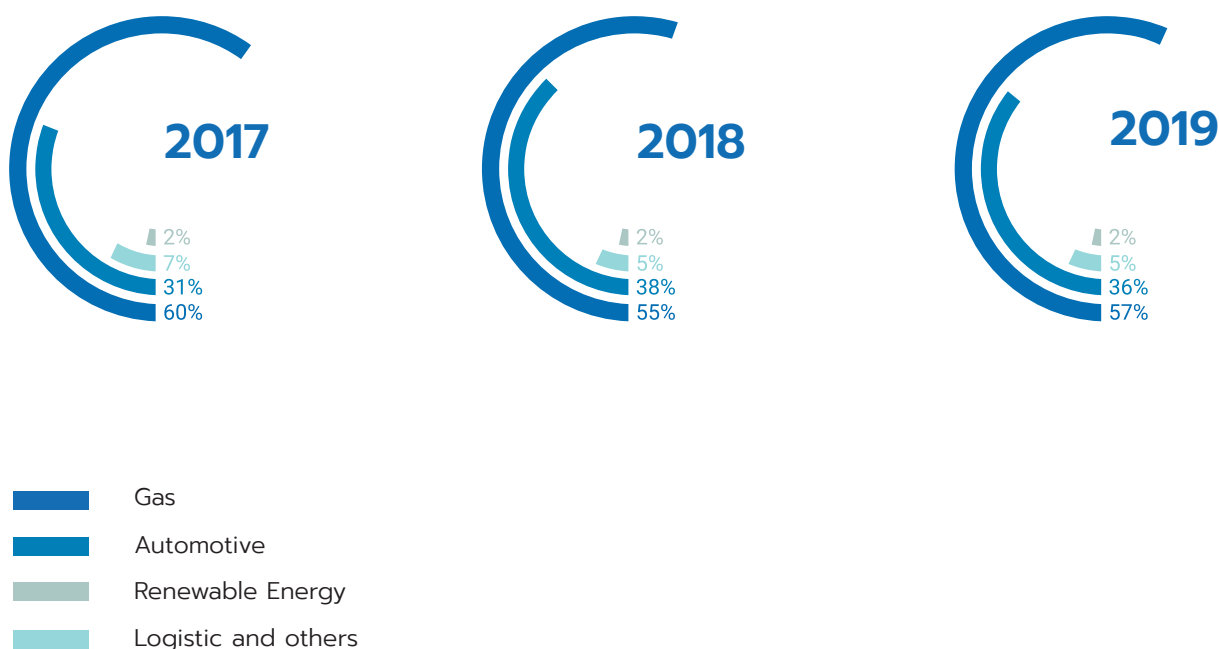
2018 : On 6 December w.r. 2018 the Committee of N. T. Energy Gas Company Limited approved dividend from operating results at the rate of 200 baht per stock for 10,000 stocks, totaling 2 million baht, in the Committee Meeting.

2019 : No dividend has been considered.

Revenue Structure

Business Segments	2017		2018		2019	
	in Thousand Baht	%	in Thousand Baht	%	in Thousand Baht	%
Gas	1,504,226	60%	1,718,622	55%	1,690,761	57%
Automotive	774,437	31%	1,186,508	38%	1,063,518	36%
Renewable Energy	41,342	2%	57,494	2%	59,462	2%
Logistic and others	183,978	7%	158,655	5%	158,535	5%
Total revenue from sales and services	2,503,983	100%	3,121,279	100	2,972,276	100%

Revenue Breakdown by Business



Nature of Business Operation

2.1 The Businesses, the Products and the Services

The company focuses on energy businesses, especially comprehensive natural gas businesses, including NGV service stations, industrial compressed natural gas, private mother stations, natural gas quality improvement, natural gas logistics, natural gas-related equipment design, manufacturing, installation and repair services, vehicle gas system, renewable energy, vehicle distribution and other businesses as categorized below:

2.1.1 Natural Gas Businesses

2.1.1.1 NGV Service Stations

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

	Natural gas station /company	Brand	Type	Capacity (kg/day)	Location	Status
1.	Scan Inter PLC	Scan Inter	Conventional	65,000	Patum Thani	In service
2.	Kaokong Petroleum LTD	Scan Inter	Conventional	75,000	Rayong	In service
3.	B.P.A. Intertrade I LTD	Scan Inter	Conventional	70,000	Chonburi	Under construction
4.	B.P.A. Intertrade II LTD	Scan Inter	Conventional	60,000	Chonburi	Under construction
5.	Emmy NGV LTD	Scan Inter	Conventional	40,000	Prachinburi	Under construction
6.	Namphong NGV 2015 LTD	PTT	Conventional	60,000	Khonkaen	In service
7.	Siam Vasco Chainat I LTD	Scan Inter	Conventional	30,000	Chainat	In service
8.	Siam Vasco Chainat II LTD	Scan Inter	Conventional	30,000	Chainat	Under construction
9.	N.T.Energy Gas LTD	PTT	Daughter	30,000	Prachinburi	In service
10.	Worapapha LTD	PTT	Daughter	30,000	Bangkok	In service
11.	Susco Scan Inter (Viphavadi)		Daughter	90,000	Bangkok Metropolitan Region	In service
12.	Susco Scan Inter (Sukaphiban)					
13.	Susco Scan Inter (Bangna-Lasalle)					
Total				580,000		

There are eight conventional stations. One is owned by Scan Inter Company Limited (Public Company) and one by Kaokong Petroleum Company Limited (Scan Inter Company Limited (Public Company) owns 99.96% of the shares) in Patum Thani and Rayong, respectively. Two are owned by Siam Vasco Company Limited (NGV service stations at the entrance and the exit of Chainat), two by B.P.A. Intertrade Company Limited, one by Emmy NGV Company Limited, and one by Namphong NGV 2015 Company Limited, in which Siam Vasco owns 100% of the shares. In addition, there are five daughter stations, including three stations that the company co-operates with Susco Company Limited (Public Company) in the Bangkok Metropolitan Region, and two natural gas stations owned by Worapapha Company Limited and N.T. Energy Gas Company Limited, in which Siam Vasco Company Limited owns 100% of the shares, in the Bangkok Metropolitan Region and in Prachinburi respectively. The gas stations are an effectively extension of the core business.



The company's NGV service stations

2.1.1.2 Industrial Compressed Natural Gas (iCNG) Business

The industrial compressed natural gas (iCNG) business involves direct natural gas distribution for industrial plants. The natural gas is compressed and delivered using vehicles, allowing clients to utilize the gas as if it were transported via the pipeline. The main clients include industrial plants located away from the pipelines, clients who require energy security, industrial plants waiting for pipeline installation and industrial plants with environmental concerns. The business started in Patum Thani in April 2015. In 2016, the industrial compressed natural gas business became more recognized by large-scale industrial plants, resulting in a continuous increase in the number of clients. In 2019, iCNG was the fastest-growing business. With the successful expansion, new clients and existing clients with capacity increase, iCNG has become more well-accepted in the industry.



Industrial natural gas station in Patum Thani



Natural gas refill station for transportation

2.1.1.3 Private Mother Station (PMS)

The company operates a mother station, a service station located along the natural gas distribution pipeline. The mother station compresses natural gas before transferring it to daughter stations not located along the pipeline. The client is PTT.

The company's mother station is located on Bangbuatong-Bangpa-in road, Bangkrabue sub-district, Samkok district, Patum Thani, on a 33,106 square meter-land, and is owned by the company. The compression capacity is approximately 643 tonnes per day. The station operates every day. There is a refill station with 30 slots for transfer vehicles. 30 vehicles can refill natural gas at the same time. The station operates 24 hours a day.

The revenue generated from natural gas compression, according to the Compression Contract, equals the sum of Availability Payment (AP) and Energy Payment (EP). AP is the compensation for investment expenses and is calculated per compressed natural gas weight in kg with a flat rate. EP is the operating cost which depends on the electricity cost, the US dollar exchange rate, and the consumer price index in Thailand. Every year, the EP changes with the variables mentioned.



Natural gas compressors



Natural gas refill station for transportation

2.1.1.4 Natural Gas Quality Improvement Business

Natural gas from the pipeline has different qualities. And since the heating value of the natural gas is higher than the standard value determined by the Department of Energy Business, Ministry of Energy, the company improves the natural gas quality by adding CO₂ to the natural gas prior to distribution.

Currently, the company has been providing natural gas quality improvement service at the private mother station (PMS) for PTT, as well as enhancing their own natural gas at the NGV service station in Samkok district, Patum Thani since September 2015.



Natural gas quality improvement station



Metering system at the natural gas quality improvement station

2.1.1.5 NGV Logistics Business (Third Party Logistics (TPL))

The company provides NGV logistics services between the private mother station (PMS) in Samkok district, Patum Thani and service stations in various areas as agreed by the company and PTT under the Natural Gas Logistics Contract by Land between both parties. The transport vehicles must be qualified by PTT, the Department of Land Transport and the Department of Energy Business' standards.

The company's first priority is safety. A Supervisory Control and Data Acquisition (SCADA) system is employed to regulate the operation and record data through the Global Positioning System (GPS) to track the transport vehicles' current positions, measure the distance and the vehicle speed, of which the company limit is 60 km/h. In addition, the company assigns two employees for each vehicle, with real-time In-Vehicle-Monitoring-System (IVMS) consisting of four cameras (in the front, inside the vehicle and both sides of the tow truck), a driving behavior recording equipment, a real-time communication system, fatigue and sight-loss detection system and a real-time notification system that will track the route and the gas transfer to the service stations. These are the factors that contribute to the company's efficient and safe operations of transport vehicles, with no serious accident during 2015 – 2019.



Transport vehicle



Tow truck

2.1.1.6 EPC & Maintenance Business

The company provides NGV service station manufacturing, design and maintenance services, and comprehensive industrial natural gas service, offering natural gas dispensing system design and manufacturing along with equipment provision for NGV service stations. The set consists of a compressor, a heat exchanger, a motor, a gas container, a dispenser. The company also manufactures and supplies equipment and industrial service systems, from natural gas pipeline, regulating and measuring stations and the operating spot. In addition, the company also provides natural gas container testing, NGV service station maintenance, and equipment repair and maintenance, in order to maintain the operations and efficiency. Currently, the company provides services stated in the Contract Agreement and has installed dispensing system in 250 out of 505 service stations in Thailand, and has been contracted to construct of 12 (out of 17) mother stations for PTT.

The company's strength in this business is the cost of equipment, since it is able to obtain and manufacture natural gas equipment on its own. Only essential equipment and materials, such as bare shaft, heat exchanger, motor, need to be ordered. Moreover, the company warrants the parts and equipment during the same warranty period as that of the company's vendors in order to minimize the risk of damages.



Natural gas compressor



Natural gas dispenser

Additionally, the company provides NGV service station repair service to ensure smooth operations and efficiency. Equipment will be checked and replaced according to the preventive maintenance schedule. And in case of damage due to the compressor shutting down, the company will supply the parts according to the breakdown maintenance period. This is under the NGV Equipment Maintenance Contract established with the client, in which the service limit is defined as operation period or maintenance budget. In addition, the company provides a natural gas container testing service based on the standard for natural gas containment and transport in Thailand (Department of Land Transport, 2009). ISO 11623, BS EN 1968 states that gas containers must be examined to ensure the quality. Today, some containers used in Thailand have completed their usable periods.

Apart from NGV equipment design, manufacturing, installation and maintenance services, the company offers natural gas tank installation in transport containers. The clients include private natural gas transport companies.

The scope of the company's NGV equipment design, manufacturing, installation and maintenance services is explained in the following table:

Service	Approximate project worth (million baht)	Service period
NGV equipment design, manufacturing and installation	2.00 – 100.00	1 month – 1 year. In some projects, it depends on PTT's procedure, such as determining the location of a new NGV service station.
Industrial natural gas pipeline design, manufacturing and installation	3.00 – 50.00	4 months – 1 year
Maintenance	0.10 – 101.00	6 months – 2 years
Part supplies	0.30 – 25.00	1 day – 6 months
Natural gas container testing	5.00 – 10.00	Depends on the number of containers due for maintenance. It normally takes 8-10 days/ container.

2.1.1.7 Vehicle Gas System Installation Business

The company provides two different NGV and LPG equipment installation and maintenance services.

1. High quality vehicle gas system installation: The service is available for both new and used cars. The majority of the clients are taxi companies and car owners who wish to replace benzene and diesel fuel with gas. The quality and installation standard comply with the Department of Land Transport's requirements.

2. Transport vehicles gas system installation: The company provides installation and maintenance services, as well as engine modification from diesel engine to natural gas-compatible engine, for passenger vehicles, trucks and trailers. The service center is located in Sainoi district, Nonthaburi. The services can be divided into four types: diesel dual fuel, dedicated engine (DDE), re-powering NGV and additional gas tank installation for vehicles with existing gas system.

2.1.1.8 Associated Gas Distribution Business

The company has entered into a gas sales agreement with Eco Orient Resources (Thailand) Company Limited in August 2016 and has since been allowed to leverage associated gas. The associated gas flared in the process has now been commercially distributed. In 2019, the company was able to distribute associated gas among industrial plant clients and has been exploring additional efficient and sufficient sources of gas in order to reduce cost and benefit from flared gas.

2.1.2 Renewable Energy Business

Scan Inter Company Limited (Public Company) has invested in complete solar power plants. Advanced technologies from international manufacturers with expertise in solar energy are employed for best efficiency. To correspond with the national energy security policy, the company collaborates with Bangpasee Women's Agricultural Co-operative to support their project and was appointed to distribute electricity with a capacity of 5 MW in Bangpasee sub-district, Banglane district, Nakhon Pathom, under the Ground Solar Power Generation Project for government agencies and agricultural co-operatives. Commercial distribution started on 29 December 2016 and the revenue from the Provincial Electricity Authority was first realized on 10 January 2560. Banglane district, Nakhon Pathom has an annual average solar intensity of 18.77 MJ per square meter per day, approximately, with a maximum intensity of 25 MJ per square meter per day (Thailand's 1993-1998 Solar Intensity Data from the Satellite, The Department of Alternative Energy Development and Efficiency). The project duration is 25 years, with over 18,000 units of electricity generated per day. The plant's performance ratio of 77% has been guaranteed by the contractor. In addition, the company has invested in an insurance in case of any damage, such as solar cell damage, equipment damage due to natural disaster.

On 15 January 2018, the company acquired V.O. Net Biodiesel Asia Company Limited ("VON") who owned a 1.267-MW solar power plant in Huanakam sub-district, Yangtalad district, Kalasin. Commercial distribution started on 25 June 2014 at a base fare plus adder of 6.50 baht per unit and will last for 10 years. As a result, in 2019, the company had two solar power plants in Thailand, with a combined capacity of approximately 6 MW.



Solar power plant, Bang Pha si, Bang Lane, Nakhon pathom.

From the experience and expertise in solar power plant operations, the company decided to invest in a solar power plant project in Minbu, Myanmar. The plant has a capacity of 220 MW and is located on a 3,000-rai area. The project was initiated to serve the growth of Myanmar's new capital, Naypyidaw, which requires a big quantity of electrical energy. On 28 June 2018, the company acquired 30% of Green Earth Power (Thailand) Company Limited (GEPT), who owned 100% of GEP (Myanmar) Company Limited (GEPM). And on 24 December 2019, the company acquired 10% more shares, resulting in the company holding 40% of the shares in GEPT. GEPM has been granted a Build-Operate-Transfer (BOT) concession to develop and operate the project and has signed a 30-year Power Purchase Agreement (PPA) contract with Electric Power Generation Enterprise ("EPGE"), commencing upon phase 1 commercial operation. The construction is divided into four phases. On 15 November 2019, the company received an official notice of commercial distribution for phase 1, which has a capacity of 50 MW. The revenue was realized with retroactive effect back to 27 September 2019.

Scan Inter Company Limited (Public Company) has foreseen a great opportunity to invest in renewable energy with the public sector. The performance of solar energy equipment has been significantly improved and the cost has been promising for investment. The company decided to invest with a 51% share with a partner company with expertise in solar energy system, under Scan Advanced Power Company Limited ("SAP"), with an objective to invest in a Private Power Purchase Agreement (P-PPA). The company is determined to develop and produce solar energy with maximum efficiency for the best interest. On the same day, Scan Advanced Power Company Limited signed a P-PPA with seven clients, with a combined capacity of 4 MW. The company has a goal to achieve a capacity of 110 MW within 2566, corresponding with the government policy that intends to promote renewable energy generation until 2037.

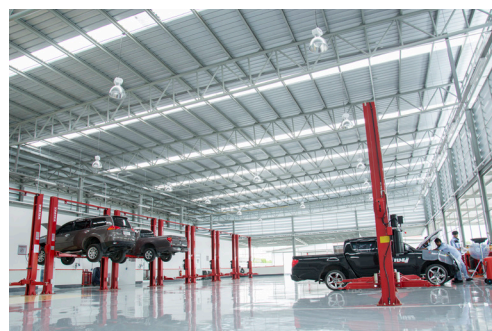


The solar power plant project in Minbu, Myanmar

2.1.3 Automobile Distribution Business

The company officially started distributing Mitsubishi vehicles and operating a repair center in 2012, under the distribution agreement between the company and Mitsubishi Motors (Thailand) Company Limited. The company's first Scan Inter Mitsubishi showroom and service center is located on Tiwanon road, Bangpood sub-district, Pakkret district, Nonthaburi, and the second is located on Somsang road, Bangpooon sub-district, Mueang district, Patum Thani. On 30 December 2019, the company sold the showrooms and service centers to a juristic person with no association with the company to increase investment capital for greater business opportunities at national and regional levels.

However, the company still foresees opportunities of automotive business expansion. Panthera Motors Company Limited ("PMC"), a subsidiary company, was established with registered capital of 1,000,000 baht, to participate in transport vehicle project bidding for the public sector, state enterprises and the private sector, as well as to provide all kinds of manufacturing, installation and assembly services with the highest quality. In addition, the company distributes and rents out transport vehicles with after-sales services to small-scale businesses. The company plans to distribute mini-buses through Panthera Motors Company Limited in 2020. The company has launched Bonluck (BLK) Panthera, a mini-bus with 19+1 seats, in the previous Bus & Truck Expo.



Mitsubishi showroom and service center in Pakkret, Nonthaburi

2.1.4 Petrol Service Station Business

In 2018, the company has launched three petrol service stations as planned, including Kaokong Petroleum station in Rayong, Namphong station in Khonkaen and Emmy service station in Prachinburi, distributing petroleum products and operating retail stores (SPAR and Inthanin) under the Bangchak trademark. This is a further development of the company's NGV service station business. In 2019, the company opened Siam Vasco service station in Chainat, expecting a sales increase of 500 million baht per year.



The company's petrol service stations



SPAR and Inthanin shops in the service stations

2.1.5 NGV Distribution and Maintenance Business

The NGV distribution and maintenance business is a collaborative project of the SCN-CHO group founded by the company and Cho Thavee Company Limited (Public Company) ("CHO"), with each party owning 50% of the liability. The group supplies 489 air-conditioned natural gas transport vehicles, together with maintenance services, to the Bangkok Mass Transit Authority (BMTA) for a period of ten years. The total project worth is 4,261 million baht (VAT included). The 489 vehicles are worth 1,891 million-baht (VAT included) and are delivered in four batches, complying with the agreement with BMTA. The 10-year repair and maintenance services for the 489 vehicles are worth 2,370 million baht (VAT included).

By 2018, SCN-CHO had delivered 300 out of 489 vehicles to BMTA.

In 2019, SCN-CHO delivered the last batch of 189 vehicles in March, as per the agreement, and has been providing proper maintenance services.



SCN-CHO's NGV delivery

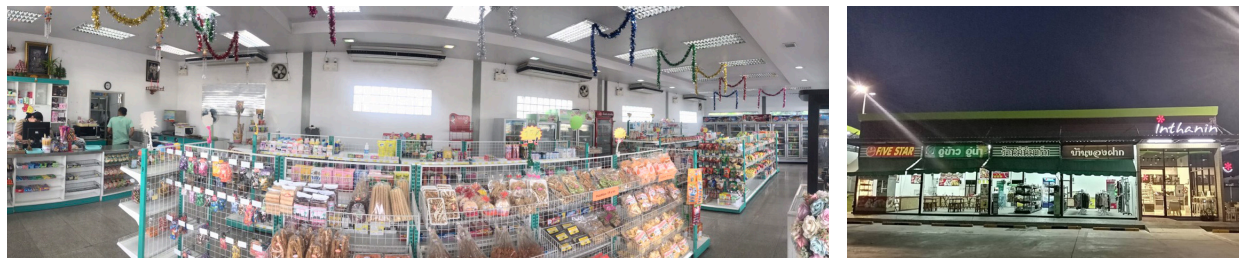
2.1.6 Other Businesses

2.1.6.1 Carbon Dioxide Trading Business

Siam Vasco Company Limited operates a carbon dioxide trading business, of which the target group includes private companies, such as NGV service station owners, who need carbon dioxide to adjust the heat capacity of natural gas from different sources, since the gas from the east has a higher heat capacity than the gas from the west.

2.16.2 Space Rental Business

The company rents out spaces in the stations to private companies to operate shops, including restaurants, food centers, drink parlors and car-care shops. Currently, the spaces are almost fully-occupied, generating a steady stream of income for the stations.



The company's space rental business

2.16.3 Construction Glass, Battery and Material Trading Business

Siam Vasco Company Limited and Controno Company Limited operate a trading business for construction glass, vehicle battery and other materials such as stainless-steel pipes, car tires, stickers. Siam Vasco Company Limited distributes the products within Thailand and Controno Company Limited distributes them in neighboring countries, including Laos and Cambodia.

2.16.4 Domestic Transport Business

Scan Inter Logistics Company Limited, formerly Kaocharoen Logistics Company Limited, operates a logistics and product transport business at Laemchabang Deep-sea Port and Mabtaput Industrial Estate, as well as other industrial estates in Rayong and nearby provinces. Scan Inter Logistics Company Limited also transfers natural gas quality improvement materials to the NGV service stations in Samkok district, Patum Thani and Nikompattana district, Rayong, which are gas stations under Kaokong Petroleum Company Limited, to improve the natural gas quality, as per the requirements of the Department of Energy Business, Ministry of Energy. This is considered a good supporting business. In addition, on 1 December 2017, the company entered into a Liquefied Natural Gas Transport Contract with Praxair (Thailand) Company Limited to transport liquefied gas, including liquid carbon dioxide, oxygen, nitrogen and argon, which has further expanded the company's transport business.

II Risk Factors

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

Risks in Conducting Business

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, so PTT and SCN have always been the business partner from the start of SCN.

If PTT would no longer deal with the company regarding natural gas business, revenues and profits of the company would decrease significantly. Nevertheless, the company strictly complies with business contract, delivers high quality products and services, and also operates with high efficiency; therefore, the company has been working continuously with PTT until now. The company and PTT have been excellent business partners for more than 23 years and there has been no circumstance that would cause contract termination. However, the company is aware of this risk and, therefore, expanding customer base to other new private companies by increasingly participating in private companies' EPC auctions in both Thailand and foreign countries, especially in Southeast Asia region. Also, the company plans to enhance the EPC capability in other businesses, including the iLNG business and the three types of solar power plants (solar rooftop, solar farm and solar floating) and expand other additional businesses, for instance, providing 489 air-conditioned buses or Natural Gas Vehicles (NGV) with 10-year maintenance services to Bangkok Mass Transit Authority (BMTA) with project value of 4,261 million Baht, establishing Panthera Motors Company Limited for the distribution, after-sales services and maintenance of transport vehicles.

2. Risks from the compensation rate from guaranteeing working results

In the business of contracting, installing and maintenance NGV equipment that the Company uses must pass industrial standards and standards from related organizations since they are used in high pressure environments, and 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.

At the date of 31 December 2018, the Company has no litigations or pending lawsuits related to 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.

4. Risks from depending on suppliers

The Company conducts business by selling Mitsubishi automobiles 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 the NGV price change in policy

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 monthly changed. The price lowered until the lowest price of 11.89 THB/kg. in November 2016 before gradually increasing to the present price. On 18 March 2019, the NGV price was at 16.44 THB/kg. However, after the NGV 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, and found that NGV prices have changed in terms of oil prices but slower pace back to past 6 months and using NGV tends to be 40-50% safer than using Diesel and 50-60% safer than Benzene. Hopefully, it will remain this way if there is no change in NGV pricing policy.

6. Risks associated with solar power plant construction in Minbu, Myanmar

6.1. The Project Contract is Back-to-Back Contract

Vintage Epc Company Limited And Vte International Construction Company Limited are hired to work on the project. Both are affiliates of META CORPORATION PUBLIC COMPANY LIMITED, a company experienced in clean energy power plant construction and development that has worked in Thailand and internationally. META has sub-contracted CHINA TRIUMPH INTERNATIONAL ENGINEERING COMPANY LIMITED (CTIEC), a subsidiary of CHINA NATIONAL BUILDING MATERIAL COMPANY LIMITED to work on the construction. The company is registered in the Hong Kong Stock Exchange with assets over 2 trillion baht and definitely has the capability to handle the project, compared to META whose total asset is 2,182 million baht and the project value of 292.62 million USD or 9,768.80 million baht. The risk of contractor being unable to cover the damage would be high if the project suffered from any problem. However, the company has contracted legal firm VDB LOI to conduct a Legal Due Diligence for the entire project contract. The legal firm has concluded that the intercompany contract between the two META affiliates and CTIEC is completely back-to-back and the risk is therefore low.

6.2. Delay in the Commercial Operation Date (COD)

The official phase 1 COD for the solar power plant in Minbu, Myanmar commenced on 27 September 2019, later than 31 January 2019 planned. The main cause was the difficulty in construction equipment transportation due to long distance and rural roads. Some sections of the roads had to be repaired in order to be able to sustain the weight of the equipment transported.

However, given the company's construction supervision experience and the successful operations in phase 1 and some repaired sections, the anticipated risk of COD delay in the next phases is very low. In addition, if the project would experience some delay due to unexpected events, the company believes that the COD due could be extended because of the good relationship with the government of Myanmar. The level of impact is considered low.

Marketing and competition

1. Target customers and distribution channels

Nature of business	Target customers	Distribution channels
1. Natural gas business		
▪ NGV Service Stations (NGV Service Stations)	<ul style="list-style-type: none">▪ Individuals who use NGV cars.▪ Individuals who use NGV trucks.	<ul style="list-style-type: none">▪ Currently sold at 10 NGV service stations.
▪ Compressed natural gas business (iCNG)	<ul style="list-style-type: none">▪ Industrial customers who located out of the gas transmission area.▪ Industrial customers who located in the gas transmission area and need to use natural gas for reserving energy in an emergency situation.▪ Industrial customers which is waiting for the operation of the gas transmission.	<ul style="list-style-type: none">▪ Distribute natural gas sales to industrial plants directly.
▪ Private Mother Station (PMS)	<ul style="list-style-type: none">▪ PTT, the operator of natural gas transmission distribution.	<ul style="list-style-type: none">▪ Serve compressed gas to PTT
▪ Natural Gas Quality Improvement	<ul style="list-style-type: none">▪ PTT where the private mother station (PMS) and general NGV customers of natural gas station for company's vehicle.	<ul style="list-style-type: none">▪ Develop quality of compressed gas to PTT at PMS and NGV stations for company's vehicle.
▪ NGV Third Party Logistics (TPL)	<ul style="list-style-type: none">▪ PTT, the operator of natural gas transmission distribution	<ul style="list-style-type: none">▪ NGV transportation of PTT

Nature of business	Target customers	Distribution channels
<ul style="list-style-type: none"> EPC & Maintenance 	<ul style="list-style-type: none"> PTT, the operator of natural gas transmission distribution NGV station Private companies that provide NGV transportation services NGV Testing Center of NVG transportation of PTT, other private companies of natural gas transportation to PTT as well as general NGV customers Private companies (Factory sectors) that use natural gas within the factory, both in and out the natural gas transmission area. 	<ul style="list-style-type: none"> Direct bidding from government and private sectors
<ul style="list-style-type: none"> Vehicle gas installations business - Car gas installations business - Truck gas installations business 	<ul style="list-style-type: none"> General minor customers Taxi cooperatives, agencies and private companies Trucks, trailers and transporting operator 	<ul style="list-style-type: none"> Gas Installation service center for cars at Chinnaket branch. Gas Installation service center for cars at Sai Noy branch.
<ul style="list-style-type: none"> Associated Gas 	<ul style="list-style-type: none"> Industrial plants far from the pipeline Industrial plants along the pipeline with needs for emergency energy source Industrial plants awaiting pipeline installation 	<ul style="list-style-type: none"> Distribute natural gas sales to industrial plants directly
2.. Renewable energy business	<ul style="list-style-type: none"> Provincial Electricity Authority General entrepreneurs (industrial plants) who wish to install solar energy system 	<ul style="list-style-type: none"> Direct sales to the Provincial Electricity Authority Direct sales of solar-powered electricity to the entrepreneurs
3. Car dealership	<ul style="list-style-type: none"> General minor customers Companies and general entrepreneurs 	<ul style="list-style-type: none"> Available at showrooms and Mitsubishi Service Centers in 2 branches (the proprietary rights have been sold)
4. Other businesses		
- Carbon dioxide sales business	<ul style="list-style-type: none"> NGV stations for vehicles throughout Thailand. 	<ul style="list-style-type: none"> Direct sales to NGV stations for vehicles
- Rental area in stations	<ul style="list-style-type: none"> Private companies who interest in renting space to operate a convenience store business for general minor customers at the station. 	<ul style="list-style-type: none"> Rental space at NGV stations for vehicles
- Selling glass, batteries and another materials business	<ul style="list-style-type: none"> Domestic entrepreneurs and minor entrepreneurs in Laos and Cambodia 	<ul style="list-style-type: none"> Direct sales to domestic entrepreneurs and minor entrepreneurs in Laos and Cambodia
-Transport business	<ul style="list-style-type: none"> Companies and general entrepreneurs 	<ul style="list-style-type: none"> Providing transportation services to companies and general entrepreneurs

2. Marketing strategy of natural gas

The company is dedicated on the energy supply operations by focusing on business related to natural gas as complete service and developing new innovations to be the leader in clean energy technology innovation in the Asia-Pacific region as well as responding to the increasing demand for natural gas continually.

2.1 Provide wide range of energy services

The company has working experience and expertise in business related to natural gas both inside and outside the gas transmission, covering from upstream to downstream, making Scan Inter Public Company Limited that is able to deliver quality energy and provide wide range of services efficiently to customers as follows

2.1.1 Pumping natural gas from the pipeline through a natural gas compressor to increase pressure.

2.1.2 Gas Supply Chain & Logistics

2.1.3 The company can design, construct, install, maintain and repair natural gas equipment for customers in a variety of purposes including gas filling equipment for NGV stations, natural gas pressure reduction system for industrial plants to use natural gas as fuel.

2.1.4 The company has NGV service stations along the pipeline and outside the pipeline under its own name and other names / trademarks.

2.1.5 The service of installing gas systems in cars and trucks which is standardized with experience and technology, thus enabling the company to have highly advantage and become a leader in the wide range of energy business.

2.2 Research, continuous development of energy business and on target.

The company has expertise in energy engineering and focus on inventing, developing of engineering components for high efficiency, replacing foreign products to increase the competitive advantage of the company, to reduce operating costs and respond to the need and confidence of customers in the products and services of the company.

After all this time, the result of research and development of the company affected to the company that was able to devise devices that can be used in the company's business, such as natural gas compressors and the natural gas pressure reduction systems which is to enhance the competitiveness of the company, operating cost, bidding for work especially creating new opportunity of the business including compressed natural gas business for the whole industry along the pipeline and outside the pipeline of PTT.

Currently, the advancement of technology and government policies related to electric vehicles have increased and people are paying a lot of attention in response of government policies and being a leading energy company in the country. The company is the first operator of charging station of quick charge type in the country where at NGV station of Scan Inter company Sam Kok which takes about 15-30 minutes to charge electric vehicles and be supported to invest the charging stations by Thai Electric Vehicle Association Under the support of the Energy Conservation Promotion Fund Energy, Policy and Planning Office, Ministry of Energy.

2.3 Patents to create business advantages

The company recognizes the importance of patents in creating competitive advantage and focus on being first mover by presenting innovative products and services which can respond the customer's need rapidly for creating business advantages, avoiding competitive pricing and maintaining the capability of sustainable compensation.

After all this time, the results of research and development of the company with patents including natural gas pressure reducing system, a tank that helps maintain the natural gas pressure level appropriately and the oil vapor trap system and foreign substances that come along with compressed natural gas, gas pressure reducing system, high pressure gas filter and tank, the car radiator from stainless steel, which reinforces and builds confidence in the modern innovation that can meet the changing demands on a regular basis.

Moreover, the company is also funded by the National Innovation Agency under the project “Transform technology into capital” By supporting the project “iCNG: Compressed natural gas pressure reduction system for industry” To improve the efficiency of pressure reducing system which is the exclusive patent of the company that supporting the demand for natural gas in industrial plants

2.4 Business expansion to the ASEAN Economic Community

The company recognizes the importance of marketing and the demand for natural gas as fuel both at domestic and international by expanding the business to the ASEAN Economic Community in order to drive business growth from the potential and energy growth into the community. The community has continued to grow by applying innovative technology to reduce natural gas pressure to be distributed through agents in each country.

Furthermore, to push the business to the ASEAN Economic Community. The company has planned to expand the market by attending meetings and exhibitions about related equipment and technology to natural gas in Indonesia. There are many foreign companies that operate natural gas and pay attention to the related equipment and technology to the natural gas of the company and more importantly that is considered a good opportunity for expanding the business of selling natural gas equipment such as systems, PRS and compressed natural gas cylinders (CNG Type IV) to the ASEAN economy and further worldwide.

3. Competition

From more than 30 years of operating business as expert and excellence in product and service development, the company is a leader in the business of wide range of natural gas service to meet the need of all types of customers from major customers, industrial customers until general NGV car users which the company has advantages in operating business as follows

- The company has personnel with knowledge, experience, expertise in energy engineering technology as well as large investment capability.
- Be able to develop the related equipment that using in business operations including some parts of natural gas compressors, gas dispensers, and vans which makes the company reduce in investing, operating and maintaining costs that confide customers in the service of the company and cause other work continuously.
- The ability to invest due to the natural gas business such as investment in the main NVG stations, NGV transporting vehicles and NGV stations that requires a high investment, the huge land and the device has a high price including natural gas compressors, computer control systems and gas filling machines.
- For the reason that natural gas has high pressure, the operator needs to have expertise and experience in engineering. If there is no expert skill, it may cause harm to property, customers and nearby communities which the company gives the first priority to this matter.
- The company focuses on being the first mover by offering innovative products and services that can meet the need of customers rapidly which also can create business opportunities and avoid competitive pricing.
- The company is able to support the ASEAN Economic Community liberalization by expanding sales and installation of equipment that the company has patents of Vietnam, Myanmar, Laos, Cambodia and Indonesia.

Milestone Development in 2019

March



The company delivered 189 air-conditioned natural gas vehicles, the last batch of 489 in total, to Bangkok Mass Transit Authority (BMTA), completing the contract in March 2019. The company was also granted a 10-year concession for vehicle repair and maintenance.

The company has established two subsidiary companies, Panthera Motors Company Limited and Spartan Auto Lease Company Limited, with registered capital of 1,000,000 baht each.

June



The 50-MW Phase 1 of Minbu Solar Power Plant was launched in Minbu, Myanmar on 27 June 2019. Aung San Suu Kyi, State Counsellor of Myanmar, was the guest of honor in the opening ceremony. The power plant, whose Phase 1 was built in the region in need of electricity, is a great and honorable success for the people of Myanmar and the Thai investor team. It is considered a model solar power plant and plays a significant role on livelihood and education enhancement, career opportunities, sanitation and much more.

October



The company has increased capital by 199,000,000 baht for subsidiary company Scan Advanced Power Company Limited (formerly Spartan Auto Lease Company Limited). Combined with the registered capital of 1,000,000 baht, the total capital is now 200,000,000 baht. The objectives were to invest in private solar power trading projects and improve the efficiency of renewable energy, as well as to collaborate with the government as per the renewable energy promotion policy. The shares are distributed as follows: Controno Company Limited (subsidiary company) 51%, Thai Advanced Solar Company Limited 24%, and Prompt Power Company Limited 25%.

November



Panthera Motors Company Limited was launched to provide a complete automotive business covering standardized design, manufacturing, assembly, installation, distribution, renting and small and large vehicle repair, supporting the government policy to enhance public transport safety. A new mini-bus, Bonluck (BLK) Panthera, was also launched at the same event. The vehicle is available with diesel and NGV engines.

Phase 1 of the 220-MW solar power plant project in Minbu, Myanmar was permitted an official Commercial Operation Date. It has a capacity of 50 MW. The revenue will be realized from 27 September 2019 onwards.

December



The company purchased 10% of Green Earth Power (Thailand) Company Limited's common stocks (GEPT) on 21 May 2019. The stocks were transferred to the company on 24 December 2019. The company now owns 40% of GEPT.



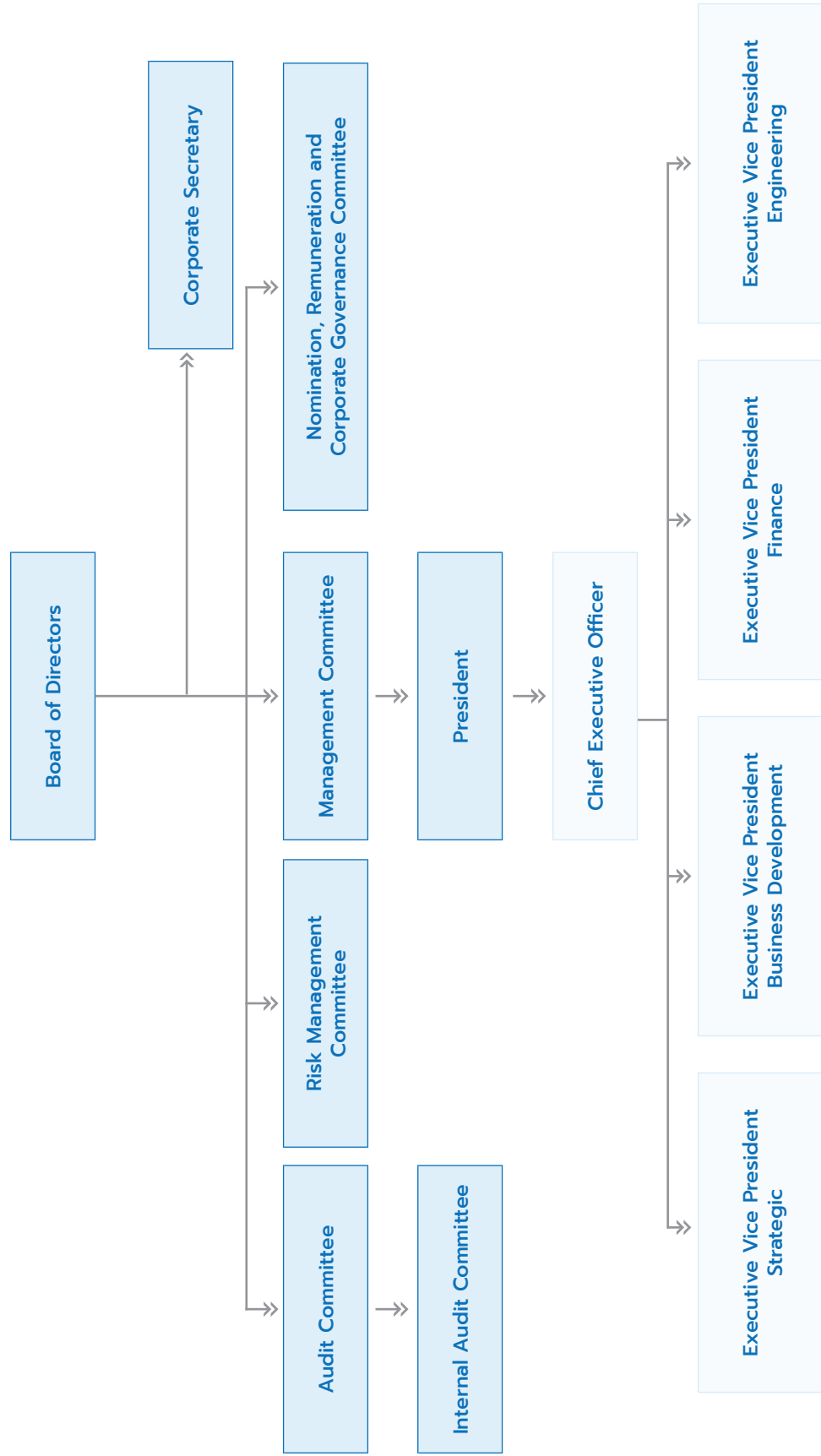
In the Committee Meeting no. 6/2019, it was agreed to give the right, the ownership and other rights associated with the assets involved in the company's two Mitsubishi auto dealer businesses to Aapico Hitech Company Limited (Public Company)'s affiliated company, a juristic person with no association with the company. The revenue generated was 310,370,532 baht (VAT included).



GOOD CORPORATE GOVERNANCE



Management Structure



II The Board of Directors and the Company's Subcommittees

The Company's management structure consists of the Board of Directors and 4 sub-committees: The audit committee, The Management Committee, the Risk Management Committee and the Nomination and Remuneration and Corporate Governance Committee. The elements and nomination, appointment, removal, and termination of duty of committee members are specified in the charter of each committee and the Corporate Governance Code.

II The Board of Directors

The Board of Directors consists of skilled, knowledgeable, competent and experienced personnel from various disciplines who could benefit the company. The Board of Directors define the vision and the mission and approves the business direction, policies, strategies and goals, as well as ensures that the company's operations are in compliance with the laws, regulations and shareholders' meeting resolutions, with honesty and morality under the Code of Conduct, in order for the management division to develop business plans, supporting plans and annual budget plans. In 2019, the Board of Directors determined the strategies and business plans for 2020 to ensure that executives and employees are going towards the same direction and that administration corresponds with defined goals and guidelines and generates maximum benefits to the company and the shareholders.

The company's 11 directors include knowledgeable directors with experiences in different fields, 5 of which are independent directors. 4 of them are part of the Audit Committee, responsible for internal control system audit, financial statement audit and regulation and policy compliance. The company has 5 independent directors – which is more than one-third of the board members. Out of 11 directors, 3 are female directors, one of which is an independent director.

As of 31 December 2019, the Board of Directors consists of 9 directors, among which are 5 independent directors and 4 executive directors. The Board of Directors used to consist of 11 members. On 25 December 2019, 2 executive directors resigned from the Board and the sub-committees due to retirement. The Nomination and Remuneration and Corporate Governance Committee will recruit suitable persons and propose the selection to the Board of Directors for further nomination.

The Chairman of the Board of Directors is an independent director and not the same person as the Chairman of the Management Committee or the Chief Executive Officer, to ensure the roles and duties are clearly distinguished and a counterbalance in the operations.

II The Chairman of the Board of Directors

The company policy states that the chairman of the Board of Directors and managing director must not be the same person in order to clearly separate the responsibilities in policy determination, business supervision and regular management. The duties and responsibilities of the Board of Directors and executives are clearly separated, and the counterbalance of operational authorities is in place. The Board of Directors is responsible in policy determination and supervision of executives in the policy level, while the executives manage the company's operations in various aspects in accordance with the policies. The Chairman of the Board of Directors is Dr. Thanong Bhidaya, who is an independent director, for his well-recognized competence and experiences. The company strongly believes that he will lead the business towards success according to the vision and mission.

Authorized Directors of the Company

Mr. Thanchart Kitpipit or Dr. Littee Kitpipit or Ms. Narissara Kitpipit and Mrs. Pimwanitar Jaratpreedar may sign and apply the company seal.

Notes: On 25 December 2019, Mr. Chokdee Wongkaew and Mr. Somchai Leechawengwong submitted resignation letters to resign from the Board of Directors and sub-committees due to retirement. And the company is in the process of selecting a new director instead.

The Corporate secretary

In the Board of Directors meeting 1/2014 on 18 September 2014, Mrs. Pimwanitar Jaratpreedar was nominated as the secretary of the company. She graduated with a degree in accounting and has passed the Thai Institute of Directors' Corporate secretary Program (CSP). She provides recommendations on legal matters and regulations that the Board should be aware of. She is responsible for taking care of the Board's activities and coordinating to ensure the resolution is being followed. The duties and responsibilities are as stated in articles 89/15 and 89/16 of the Securities and Exchange Act (4th edition) B.E. 2551, effective on 31 August 2008, and should be carried with responsibility, care and honesty and compliant with the law, the company objectives and regulations and the resolution of the Board of Directors and shareholders meetings. The scope of duties is stated in Item 3 of the Corporate Governance Code: Establishing Efficient Committees.

The Sub-Committees

The Audit Committee

The current audit committee of the company consists of 4 audit committee members:

Name	Position
1. Mrs. Kannika Ngamsopee	Chairman of the audit committee
2. Mr. Chamnarn Wangtal	Audit committee
3. Mr. Vichien Usanachote	Audit committee
4. Air Chief Marshal Vorachat Tharechat	Audit committee

With Mrs. Pimwanitar Jaratpreedar as the secretary of the audit committee

Mrs. Kannika Ngamsopee and Mr. Chamnarn Wangtal are knowledgeable and experienced in auditing the reliability of the company's financial statements. The company has established the internal control office to audit, monitor and report to the Audit Committee. Dharmniti Internal Audit Company Limited ("Dharmniti") was also hired to perform internal audit. In 2019, Dharmniti nominated Ms. Ruthaichanok Supapong as the chief of internal audit.

The company has a policy to choose independent internal auditors to ensure maximum efficiency.

The Risk Management Committee

The current Risk Management Committee of the company consists of 6 Risk Management Committee members:

Name	Position
1. Mr. Chamnarn Wangtal	Chairman of the Risk Management Committee
2. Mrs. Kannika Ngamsopee	Risk Management Committee
3. Mr. Vichien Usanachote	Risk Management Committee
4. Air Chief Marshal Vorachat Tharechat	Risk Management Committee
5. Dr. Littee Kitpipit	Risk Management Committee
6. Ms. Narissara Kitpipit	Risk Management Committee

Note: 1st to 4th members are independent directors.

Mrs. Pimwanitar Jaratpreedar is the secretary of the Risk Management Committee.

The Risk Management Committee consists of 4 independent directors and 2 managing directors. The chairman is an independent director and is able to express opinions freely.

The Nomination and Remuneration and Corporate Governance Committee

The current Nomination and Remuneration and Corporate Governance Committee of the company consists of 3 members:

Name	Position
1. Mrs. Kannika Ngamsopee	Chairman of the Nomination and Remuneration and Corporate Governance Committee
2. Mr. Vichien Usanachote	The Nomination and Remuneration and Corporate Governance Committee
3. Mr. Thanchart Kitpipit	The Nomination and Remuneration and Corporate Governance Committee

Note: 1st to 2nd members are independent directors.

Mrs. Pimwanitar Jaratpreedar is the secretary of the Nomination and Remuneration and Corporate Governance Committee. The Nomination and Remuneration and Corporate Governance Committee consists of 2 independent directors and 1 managing director. The chairman is an independent director and is able to express opinions freely.

The Management Committee

The current Management Committee of the company consists of 4 managing directors:

Name	Position
1. Mr. Thanchart Kitpipit	President of the Management Committee
2. Dr. Littee Kitpipit	Executive director, Chief Executive Officer
3. Ms. Narissara Kitpipit	Executive director
4. Mrs. Pimwanitar Jaratpreedar	Executive director

Mrs. Pimwanitar Jaratpreedar is the secretary of The Management Committee.

Notes: On 25 December 2019, two managing directors, Mr. Chokdee Wongkaew and Mr. Somchai Leechawengwong, resigned from the Board of Directors and sub-committees due to retirement.

The Chairman of the Management Committee and the Chief Executive Officer are not the same person.

Chief Executive Officer

The Board of Directors Meeting No. 4/2016 resolved to nominate Dr. Littee Kitpipit to be the company's managing director in place of Mr. Thanyachart Kitpipit. Effective from November 7, 2016 onwards. The company has changed the name of senior executives from the former President to Chief Executive Officer. Effective from 13 September 2018, the scope of duties and responsibilities is in the same frame. By defining the scope of duties and responsibilities in the principles of good corporate governance In Practice 3, Strengthening the Board of Directors

The Board of Directors Meeting

The Board of Directors schedules meetings and informs the members of the schedule at the beginning of the year. The minimum frequency is 6 times a year, to ensure all directors are able to attend all meetings. Special meetings are not included.

The sub-committees include the Audit Committee, the Nomination and Remuneration and Corporate Governance Committee, the Risk Management Committee, and the Management Committee. The meeting schedules are pre-determined and communicated to the members in the beginning of the year. The minimum frequency depends on the corporate governance policy and the nature of each committee. Special meetings are not included.

Positions and meeting attendance of the members in 2019 are as follows:

Name	Position	Numbers of participated sessions / number of sessions organized during the year / participation percentage					
		The Board of Directors	The audit committee	The Management Committee	The Risk Management Committee ⁽²⁾	The Nomination and Remuneration and Corporate Governance Committee ⁽⁵⁾	Shareholders meeting participation ⁽⁶⁾
1. Dr. Thanong Bhidaya	• Chairman / Independent director	7/7 ⁽¹⁾ 100%	-	-	-	-	1/1 100%
2. Mrs. Kannika Ngamsopee	• Independent director / Chairman of the Audit Committee • Risk Management Committee ⁽²⁾ • Chairman of the Nomination and Remuneration and Corporate Governance Committee ⁽⁵⁾	7/7 100%	7/7 100%	-	7/7 100%	-	1/1 100%
3. Mr. Chamnarn Wangtal	• Independent Director / Audit Committee • Chairman of the Risk Management Committee	7/7 100%	7/7 100%	-	7/7 100%	2/2 100%	1/1 100%
4. Mr.Vichien Ussanachoti	• Independent Director / Audit Committee • Risk Management Committee • Nomination, Remuneration and Corporate Governance Committee	7/7 100%	7/7 100%	-	7/7 100%	-	1/1 100%
5. Air Chief Marshal Vorachat Tharechat	• Independent Director / Audit Committee • Chairman of the Risk Management Committee	7/7 100%	7/7 100%	-	7/7 100%	-	1/1 100%
6. Mr. Thanchart Kitpipit ⁽³⁾	• Director / President of Executive Committee • Nomination, Remuneration and Corporate Governance Committee	7/7 100%	-	16/17 94%	-	2/2 100%	1/1 100%
7. Dr. Littee Kitpipit	• Director / Chief Executive Officer • Risk Management Committee	7/7 100%	-	17/17 100%	7/7 100%	-	1/1 100%
8. Ms. Narissara Kitpipit ⁽²⁾	• Director / Executive Director • Risk Management Committee	4/7 57%	-	11/17 65%	5/7 71%	-	1/1 100%
9. Mrs. Pimwanitar Jaratpreedar	• Director / Executive Director	7/7 100%	-	17/17 100%	-	-	1/1 100%
10. Mr. Chokdee Wongskeo ^{(1) (3)}	• Director / Executive Director	7/7 100%	-	16/17 94%	-	-	1/1 100%
11. Mr. Somchai Leechawengwongs ⁽¹⁾	• Director / Executive Director	7/7 100%	-	17/17 100%	-	-	1/1 100%
Overall average attendance		96%	100%	92%	95%	100%	100%

Notes: (1) Resigned on 25 December 2019 due to retirement

(2) Maternity leave

(3) Absence due to urgent business, which is an emergency, not negligence

The Board of Directors Performance Evaluation

The Board of Directors completes the evaluation form at least once a year. The Nomination and Remuneration and Corporate Governance Committee has established the evaluation form and reviews the form every year. The corporate secretary complies the forms and prepares a report for the Board of Directors' approval. The following aspects are evaluated during 2016-2019:

1. Structure and qualifications
2. Roles, duties and responsibilities
3. Board meetings
4. Performance
5. Relationship with the management division
6. Self-improvement and executive development

The corporate secretary delivers the evaluation forms and summarizes the results in a report, which will be presented in the Board of Directors meeting for consideration and improvement. The evaluation criteria are: higher than 90 percent = excellent, higher than 80 percent = very good, higher than 70 percent = good, higher than 60 percent = satisfactory, lower than 60 percent = improvement needed.

The 2019 Board of Directors evaluation result is: excellent.

Director and Executive Development

In 2019, the company encouraged directors to attend relevant and essential training sessions and conferences with the Thai Institute of Directors (IOD), the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and the Federation of Accounting Professions, including:

- Strategic CFO in Capital Markets, organized by the Stock Exchange of Thailand
- Boardroom Success through Financing and Investment (BFI), organized by the Thai Institute of Directors
- Mortgage Bond Issuance Strategy Adjustment and Transfer Pricing, organized by the Thai Bond Market Association
- Practical TFRS 9 Sharing for Impairment, organized by the Federation of Accounting Professions

The corporate secretary communicates news about useful and relevant training and conferences to the directors and facilitates coordination.

Directors' Remuneration Policy

Directors' remuneration is based on the duties and responsibilities, and must be comparable to other companies of similar size in the same industry. The remuneration must be sufficient to motivate the directors to drive the organization towards the short-term and long-term goals and perform their duties as required by the business goals and directions. The remuneration process must be transparent and build confidence among the shareholders.

(1) Directors' Remuneration

Scan Inter Public Company Limited

In the general meeting of shareholders 1/2019 on 22 April 2019, remuneration for the Board of Directors, the audit committee, the Risk Management Committee and the Nomination and Remuneration and Corporate Governance Committee was approved as follows:

- **Monetary remuneration**
 - Non-executive directors

A. Meeting allowance (attending directors only)

(Baht)	The Board of Directors	The audit committee	The risk management committee	The nomination and remuneration and corporate governance committee
Meeting allowance (Baht)/time				
- Chairman of the Board of Directors	30,000	22,500	15,000	15,000
- Directors	18,000	18,000	10,000	10,000

B. Quarterly remuneration

(Baht)	The Board of Directors	The audit committee	The risk management committee	The nomination and remuneration and corporate governance committee
Quarterly remuneration (Baht)/quarter				
- Chairman of the Board of Directors	120,000	80,000	-	-
- Directors	64,000	64,000	-	-

The director who is also the chairman of the audit committee is entitled to the quarterly remuneration only as the chairman of the audit committee.

- Executive directors

The Management Committee and managing directors or employees of the company are not entitled to the meeting allowance and quarterly remuneration as directors or any sub-committee but may be entitled to the remuneration in the form of reward as specified by the Board of Directors.

C. Directors' annual bonus

- None -

It can be concluded that the independent directors will receive fixed quarterly remuneration and meeting allowance per attendance. Executive directors do not receive any remuneration.

Scan Advanced Power Company Limited (Associated Company)

The quarterly remuneration, meeting allowance and bonus are as described below:

- Non-executive directors

(a) Meeting allowance (for directors attending meetings)

The Board of Directors

- Chairman 18,000 baht
- Directors - None -

(b) Quarterly remuneration

- Chairman - None -
- Directors - None -

(c) Bonus

- None -

- Executive directors

The Management Committee, including executive directors and employees will not receive any meeting allowance, quarterly remuneration or annual bonus, as directors and sub-committee members. However, they may receive pension as determined by the Board of Directors.

The 2019 directors' remuneration is as follows:

Name	Meeting allowance					Meeting allowances for Associated company	Remuneration	Total
	Board of Directors	Audit committee	Management Committee	Risk Management Committee	Nomination and Remuneration and Corporate Governance Committee			
1. Dr. Thanong Bhidaya Independent Director / Chairman	210,000	-	-	-	-	480,000	-	690,000
2. Mrs. Kannika Ngamsopee Independent Director / Chairman of the Audit Committee/ Chairman of the Nomination, Remuneration and Corporate Governance Committee / Risk Management Committee	126,000	157,500	-	105,000	30,000	320,000	-	703,500
3. Mr. Chamnarn Wangtal Independent Director / Audit Committee / Chairman of the Risk Management Committee	126,000	126,000	-	70,000	-	265,000	-	613,000
4. Mr. Vichien Ussanachoti Independent Director / Audit Committee / Risk Management Committee / Nomination, Remuneration and Corporate Governance Committee	126,000	126,000	-	70,000	20,000	256,000	18,000	616,000
5. Air Chief Marshal Vorachat Tharechat Independent Director / Audit Committee / Risk Management Committee	126,000	126,000	-	70,000	-	256,000	-	578,000
6. Mr. Thanchart Kitpipit Director / President of Executive Committee / Nomination, Remuneration and Corporate Governance Committee	-	-	-	-	-	-	-	-
7. Dr. Littee Kitpipit Director / Chief Executive Officer / Executive Director / Risk Management Committee	-	-	-	-	-	-	-	-
8. Ms. Narissara Kitpipit Director / Executive Director / Risk Management Committee	-	-	-	-	-	-	-	-
9. Mrs. Pimwanitar Jaratpreedar Director / Executive Director	-	-	-	-	-	-	-	-
10. Mr. Chokdee Wongskeo Director / Executive Director	-	-	-	-	-	-	-	-
11. Mr. Somchai Leechawengwongs Director / Executive Director	-	-	-	-	-	-	-	-
Total	714,000	535,500	-	315,000	50,000	1,568,000	18,000	3,200,500

Directors' remuneration during 2016 – 2019

	2016	2017	2018	2019
Meeting allowance	642,000	891,000	1,280,500	1,632,500
Quarterly remuneration	1,474,462	1,568,000	1,554,086.85	1,568,000
Bonus	-	-	-	-
Total	2,116,462	2,459,000	2,834,586.85	3,200,500

(2) Executives' remuneration

1. Executives receive short-term remuneration, including monthly remuneration and bonus. Such remuneration is intended to be comparable to the industry level. The evaluation is based on the Balanced Scorecard, with key performance indicators (KPIs) for executives. The remuneration is associated with evaluation results.

2. Executives who are appointed as directors in joint venture companies receive remuneration based on the representative director nomination guideline for joint ventures. The Chief Executive Officer and the Executive Vice President with additional responsibilities will receive corresponding remuneration as specified by the Board of Directors.

Executives' remuneration as defined by the SEC (Chief Executive Officer and Executive Vice President)

In the accounting years ending on 31 December 2016 – 2019, the company and subsidiaries provided remuneration for Chairman of the Management Committee, Chief Executive Officer and Executive Vice President as described below:

	Executives' remuneration during the accounting years ending on 31 December 2016 – 2019 (baht)			
	2016	2017	2018	2019
Number of executives	7	6	6	6
Salary	18,390,000	20,780,089	20,474,465	21,227,536
Bonus	1,643,750	3,000,250	3,010,000	2,758,225
Provident fund	367,800	870,477	968,710	1,233,305
Other benefits, such as social securities	63,000	62,250	51,750	45,000

The Board of Directors' Authority

1. Nominate, impeach and authorize the Board of Directors consultant, the sub-committees and the Chief Executive Officer.
2. Consult an expert or company advisor, or hire an external consultant if needed, with the company responsible for the cost.
3. Approve loans for working capital purpose if the amount exceeds the authority of the Management Committee.
4. Approve the acquisition or cancellation of loan credit if the amount exceeds the authority of the Management Committee.
5. Approve loans to subsidiaries and associated companies as a shareholder or partner companies if the amount exceeds the authority of the Management Committee.
6. Approve loan guarantee for subsidiaries and associated companies as a shareholder or partner companies if the amount exceeds the authority of the Management Committee.
7. Approve the establishment, merging or close-down of subsidiaries.
8. Approve investment and distribution of investment in common stocks or any other securities if the amount exceeds the authority of the Management Committee.
9. Approve the provision and investment in permanent assets if the amount exceeds the authority of the Management Committee.
10. Approve the distribution and transfers of permanent assets if the amount exceeds the authority of the Management Committee.
11. Approve the conditioning, destruction, and elimination of permanent assets or intangible assets that are no longer in use, lost, destroyed, degraded, outdated or unusable based on book value if the amount exceeds the authority of the Management Committee.
12. Approve the compromise and dispute settlement by arbitrator, complaints, prosecution and any legal proceeding on behalf of the company, for non-normal business matters or normal business matters with capital involved, if the amount exceeds the authority of the Management Committee.
13. Approve non-normal business transactions if the amount exceeds the authority of the Management Committee.
14. Propose capital increase or reduction, stock value change, amendment of Memorandum of Association and company regulations or objectives to the shareholders.
15. Authorize the management division, executives, management-level employees or any other person to act on the Board's behalf.
16. Request the management division, executives or relevant employees to explain, provide opinions, attend meetings or submit documents as required.
17. Nominate and impeach the corporate secretary.
18. Any authority associated with the acquisition or the distribution of assets and related party transactions shall comply with the Capital Market Supervisory Board announcement.

Changes in the Directors' Shareholding

Directors and executives are required to report the shareholding of themselves, their spouses or equivalent-to-spouse cohabitants, and minor children, as well as juristic persons holding more than 30 percent of the shares with juristic person voting rights, to the Office of Securities and Exchange Commission (SEC) within 30 days upon nomination and within 3 working days every time there is a change in the shareholding.

The directors and executives hold the following percentage of "SCN" stocks.

Name	Position	Shareholder Amount As of 31 December, 2018	Changed Shares	Shareholder Amount As of 31 December, 2019	Shareholding percentage (%)
1. Dr. Thanong Bhidaya	Chairman of the Board of Directors / Independent Director	400,000	-	400,000	0.03
2. Mr. Chamnarn Wangtal	Director / Independent Director / Audit Committee / Chairman of the Risk Management Committee	-	-	-	-
3. Mrs. Kannika Ngamsopee	Director / Independent Director / Chairman of the audit committee / Risk Management Committee / Chairman of the Nomination, Remuneration and Corporate Governance Committee	-	-	-	-
4. Mr. Vichien Usanachote	Director / Independent Director / Audit Committee / Risk Management Committee / Nomination, Remuneration and Corporate Governance Committee	-	-	-	-
5. Air Chief Marshal Vorachat Tharechat	Director / Independent Director / Audit Committee / Risk Management Committee	-	-	-	-
6. Mr. Thanchart Kitpipit - Mr. Thanchart Kitpipit - Mrs. Natcha Kitpipit	Director / President of the executive committee / Nomination, Remuneration and Corporate Governance Committee	736,720,000 716,720,000 20,000,000	- - -	736,720,000 716,720,000 20,000,000	61.39 59.73 1.67
7. Dr. Littee Kitpipit	Director / Executive Director / Risk Management Committee / Chief Executive Officer	10,000,000	-	10,000,000	0.83
8. Ms. Narissara Kitpipit	Director / Executive Director / Risk Management Committee / Executive Vice President, Strategic	10,000,000	-	10,000,000	0.83
9. Mrs. Pimwanitar Jaratpreedar	Director / Executive Director / Corporate Secretary / Executive Vice President, Finance	-	-	-	-

Notes: No indirect holding except for 6th director/executive

Corporate Ethics

Scan Inter Public Company Limited has the intention to operate ethically, adhere to operations with transparency, morality, ethics, with the responsibility to all groups of stakeholders, auditable, without corruption.

The company has set up a code of conduct for the company. To be a guideline for good business practices for directors, executives, and employees to abide by, this focuses on the principles of corporate governance, and the importance of treating all stakeholders. In order to achieve the objectives of the vision and mission, reflecting the value and culture of the organization, divided into 2 categories as follows:

Section 1 Ethics of directors, executives and employees

Section 2 Business ethics

Section 1 Ethics of directors, executives and employees

1. Self-treatment

- 1.1 Perform duties in accordance with laws related to conducting business responsibly, prudently, pursuing learning, studying, and seeking new things to be a guideline for the development and improvement of work to be effective.
- 1.2 Be a disciplinarian, adhere to morality, and must not seek positions, deeds, or any other benefits from supervisors, or from any other person.
- 1.3 Avoid any actions that may tarnish honor and reputation, both for oneself, and the company.
- 1.4 Not seeking unlawful interests, whether directly or indirectly.
- 1.5 Do not occupy, use for personal benefit, or do anything that will affect the work performance of the organization.

2. Treatment of colleagues

- 2.1 Strengthen teamwork by respecting each other's opinions, cooperating and helping each other for the benefit of the company as a whole.
- 2.2 The supervisor behaves to be respectful of the subordinates by being a good example of subordinates.
- 2.3 Treat the supervisor with respect, and treat colleagues with courtesy, kindness, and respect for the dignity of others.
- 2.4 To honor others without bringing the work of others to falsify their work.
- 2.5 Work together with equality, impartiality, non-discrimination, generation, or institution.

3. Company treatment

- 3.1 Perform duties under the laws and regulations that the company has established strictly. Have the responsibility to search for guidelines or recommendations related to various laws that have been changed, modified and added in order to be able to perform their duties correctly.
- 3.2 Maintain the confidentiality of the company by carefully monitoring the confidentiality of the company documents or news that are leaking or falling to unrelated persons that may cause damage to the organization.
- 3.3 Maintain your honor to be accepted in society, both government agencies and other organizations. Including not taking any actions that cause damage to the image and reputation of the company.
- 3.4 Avoid giving and / or accepting items, giving and / or receiving receptions or benefits from partners or those involved with the business of the company. Except for the benefit of conducting business in a fair way of the company, or in festivals, or traditions in a reasonable value.
- 3.5 Do not participate in actions or conceal any actions that may conflict with the company, corruption, or any illegal actions.

- 3.6 Should not be ignored or ignored when seeing or having doubts about the actions taken against corruption by informing the supervisor, or the person responsible, or through complaint channels as specified in the company's complaint and whistleblowing measures and cooperate in investigating various facts as specified in the company's regulations.
- 3.7 There is a conscience in using the resources of the company to know the value, reduce unnecessary spending.

Section 2 Business ethics

1. Ethics towards stakeholders

1.1 Treatment of shareholders

- 1.1.1 Perform duties with integrity and make decisions with fairness and honesty to shareholders and for the benefit of relevant groups.
- 1.1.2 Aiming to create growth on the potential or true capability so that shareholders receive sustainable returns from efficient work and good performance of the company.
- 1.1.3 Respect the rights of shareholders in obtaining the information necessary to evaluate the company equally and will disclose the financial status and correct information as required by the company.
- 1.1.4 It is important to maintain the confidential information of customers regularly and do not use such information for their own benefit, and / or other related parties.

1.2 Treatment of customers

- 1.2.1 Committed to creating satisfaction and confidence for customers to receive good quality products and services under the safety and appropriate technology by continuously raising standards.
- 1.2.2 Disclose complete and accurate information about products and services, and do not distort facts. Including maintaining a good and lasting relationship.
- 1.2.3 Not destroying the reputation of the competitors by accusing them of being evil without facts.
- 1.2.4 Maintain confidentiality and customer information strictly. Including not using information for the benefit of oneself and those involved.
- 1.2.5 Not giving - receiving gifts, entertainment, or any other benefits from customers In order to acquire a business or neglect of responsibility In addition to providing to maintain a good relationship between the company and customers, it is often given to traditional people and suitable for the occasion.

1.3 Treatment of employees

- 1.3.1 Not discriminating against employees for reasons due to similarities or differences in race, religion, sex, age, education, status. Including respect for personal freedom, and protection of personal information.
- 1.3.2 Treat employees with kindness and fairness, take care of, pay attention to the development, transfer of knowledge and abilities of employees by providing opportunities for employees thoroughly and regularly.
- 1.3.3 Respect the personal information of employees. Do not disclose personal information of employees to the disclosure or transfer without the consent of employees such as personal status, personal history, work history, financial information, contact information, health information, and other personal information, etc.
- 1.3.4 Open opportunities and focus on the development of skills, knowledge and competencies of employees as indicators in determining the appointment, transfer, by evaluating with justice. Equal and can be explained.
- 1.3.5 Promote employee participation in determining work direction. Including solving the problems of the organization and the company as a whole.
- 1.3.6 Listen to comments and suggestions from employees at all levels equally and equitably.

- 1.3.7 There are steps or processes to consider in solving problems from claims of fairness of employees by requiring clear procedures, processes and mechanisms.
- 1.3.8 Encourage employees to understand ethics and roles in order to promote behavior within the framework of ethics.

1.4 Treatment of partners

- 1.4.1 Strictly complying with contracts, agreements or conditions with suppliers, transparency and equality.
- 1.4.2 Giving priority to maintaining confidential information of suppliers on a regular basis and not using such information for their own benefit, and / or other related parties, unless the consent of the partner has been obtained.
- 1.4.3 Negotiate and contract with fairness, not taking advantage of the parties, taking into account the reputation and image of the company.

1.5 Treatment of creditors

- 1.5.1 Strictly complying with contracts, agreements or conditions with creditors, transparency and equality
- 1.5.2 Disclose accurate and complete financial information regularly.
- 1.5.3 Manage to ensure creditors are confident in their financial status and ability to pay debts.

1.6 Treatment of competitors

- 1.6.1 Conduct business with ethics.
- 1.6.2 Treat trade competitors equally and fairly, and based on fair compensation for both parties.
- 1.6.3 Not destroying the reputation of the competitors by accusing them of being evil without facts.
- 1.6.4 Do not make any agreements with competitors or any persons that have a characteristic to reduce or restrict trade competition.
- 1.6.5 Taking into account equality and integrity in business operations and mutual benefits with partners.

1.7 Treatment for society, community and environment

- 1.7.1 Continuously instilling social and environmental responsibility awareness in the company, and the employees of the company.
- 1.7.2 Cooperate and control in strict compliance with the intent of relevant laws and regulations.
- 1.7.3 Do not take any action that causes damage to natural resources and the environment beyond the law.
- 1.7.4 Provide support in activities that contribute to the public interest, such as education, sports, promoting local culture, etc., taking into account the appropriateness and benefits that society and community receive sustainably.
- 1.7.5 Providing fast and effective response to events affecting communities and the environment due to the company's operations by fully cooperating with government officials and related agencies.
- 1.7.6 Listen to comments and suggestions and provide a grievance system on matters that may affect the community. Proceed to investigate the cause, improve, and report the results to the complainant in a timely manner. It also encourages companies and communities to benefit each other and be able to live together sustainably.

2. Respecting human rights principles

- 2.1 The company must strictly comply with human rights principles, both nationally and internationally. Including the limitations of labor laws in each country in which the business operates by providing a safe, hygienic work environment in accordance with international standards Free from drugs and treat all employees equally.
- 2.2 The company must provide knowledge and understanding of human rights principles to the employees of the company in order to be part of the operation and not support the business, and / or activities that violate human rights.

3. Business operations under environmental standards

- 3.1 Conduct business with consideration of environmental conservation and safety management standards. Including compliance with the requirements of laws, or regulations relating to the environment.
- 3.2 Support the purchase of products or services that are considered safety, environmental and energy conservation.
- 3.3 Promote activities to conserve natural resources and the environment in the form of creating awareness of the use of resources in a cost-effective manner and providing the correct knowledge and understanding to employees about environmental conservation.

4. Non-infringement of intellectual property

- 4.1 Comply with laws and regulations regarding the use of information technology of the company
- 4.2 The company must conduct business in accordance with laws and regulations in all types of companies that invest. Including contractual obligations relating to legitimate intellectual property rights, patents, copyrights, trade secrets and other proprietary information.
- 4.3 Company employees must respect the intellectual property rights of others. Do not use the works of others, even if only partially, to be used for personal gain without permission or compensation to the owner of the work first.
- 4.4 The company will not abuse or misuse the right intellectual property rights.
- 4.5 Use the company's assets efficiently to maximize the benefits for the company and to develop the work potential. Including not using the company's assets for personal gain.

5. Anti-corruption

- 5.1 The Board, executives and employees of the company are prohibited from corruption or participate in all forms, both direct and indirect. Either for the benefit of oneself, family, friends or other persons, and must be careful in operations that are at risk of high corruption such as purchasing, sales and marketing, investment projects, Contract for giving and receiving gifts Reception Giving donations or financial support etc.
- 5.2 Do not neglect or ignore when seeing actions that are subject to corruption related to the company. Must report to the supervisor or the person responsible for acknowledgment and cooperation in investigating various facts.
- 5.3 Giving-receiving gifts, entertainment, donations, and support must be transparent. Correct according to company regulations, and legally required to ensure that such giving and receiving is not a bribe.
- 5.4 Be careful when making transactions with individuals, juristic persons, or any organization that has questions about corruption.
- 5.5 Support and promote the company's personnel in implementing anti-corruption measures. By providing knowledge to employees from the orientation, internal training and communication through various media in the organization. With the objective of personnel of the company to understand the policies, penalties and awareness of the effects of corruption that will cause damage to the organization.

6. Giving-receiving gifts, entertainment, or other benefits

- 6.1 Not giving - accepting gifts, entertainment or other benefits With those who do business with the company, or who have contacted to coordinate both government agencies and private entities in a manner that provides or accepts bribes. Except as giving, or accepting gifts and entertainment in accordance with tradition to maintain good relations between companies.
- 6.2 Not giving - accepting gifts, receptions or any other benefits that may cause influence or motivation in any decision and cause unethical duties. According to the responsibility as signed by the regulations.

- 6.3 Company Code of Conduct, Rules, Procedures, and Laws. Such give-and-go must be according to conventional practices that are not frequent, suitable for occasions, transparent, verifiable by giving - must not be for hope, benefit or anything else in return and must be always approved by the authority.
- 6.4 Must have a clear approval for property, service or entertainment. By requesting to create a record By specifying the details of the gift, the name of the agency to be provided, quantity, price, or value of gifts and entertainment. Together with supporting documents, such as quotations, gifts, etc., to be approved by the authorized person.
- 6.5 The applicant must show proof of payment that shows the value of the property, service or reception to be able to verify.

7. Providing financial support and donations for charity

- 7.1 Providing financial support and donations for charity must not be involved in the reciprocal benefits for individuals. A particular group or group of individuals.
- 7.2 The company has a clear approval inspection procedure. By requesting approval to support projects or organizations, there must be written approval documents indicating the objectives, organizations that want to donate or provide support amount, and payment method clearly and must be approved by the management according to the approval authority.
- 7.3 Giving financial support or donations for charity. Must have a clear receipt or other evidence and in accordance with the company's regulations to ensure that the grant or donation for such charity is not an excuse for corruption.

8. Political action

- 8.1 The company places political neutrality, ignoring, or providing support to political parties, political alliances, political officials, political candidates. Whether directly or indirectly, at the local, regional, or national level.
- 8.2 The company respects the privacy rights of employees in participating in political activities, whether they are voting, being a member of a political party or participating in a political rally.
- 8.3 Should not be expressed in any way that makes others understand that the company is involved in or supporting political action.
- 8.4 Do not dress in a uniform or use any symbols that make others understand that they are employees of the company in participating in political activities.
- 8.5 Avoid showing or expressing political opinions in the workplace or at work time which may cause conflicts in the workplace.

9. Trading of securities and insider information

- 9.1 Do not bring inside information that has not been published to the public through the website, website or website of the Stock Exchange in order to be an advantage in trading both of oneself and others.
- 9.2 Do not publish internal information to unrelated persons, including family, relatives, friends, etc.
- 9.3 Does not give advice or opinions on the trading of company securities to third parties.
- 9.4 Prohibit company personnel, buy, sell, transfer, company securities for a period of 30 days, before disclosing quarterly and annual financial statements.
- 9.5 Prohibit company personnel, buy, sell, transfer, company securities, before disclosing insider information that may affect the company's stock price.

Corporate Governance

The company manages its business following the corporate governance code, constantly recognizing the importance and responsibility towards the shareholders and all interested persons. As a result, the company has always been rated very good in terms of corporate governance by governing agencies and organizations:

- “Very good” survey result from the 2018 Corporate Governance Report of Thailand Companies (CGR) by the Thai Institute of Directors (IOD)
- A score of 99 from the 2018 Annual General Meeting Checklist (AGM Checklist) by the Thai Investors Association

The Board of Directors gives priority to the corporate governance code compliance to build trust among shareholders, investors and relevant parties. The company reviews the corporate governance policy and compliance, and also the charters for the Board of Directors and all sub-committees.

The company discloses its corporate governance policy on the website for external communication, communicates to inform internal personnel of the company’s corporate governance and encourages employees to be part of the compliance.

In 2017, the Securities and Exchange Commission launched a corporate governance code for listed companies (Corporate Governance Code: “2017 CG Code”) stating 8 principle rules for the Board of Directors as follows:

1. Realize the roles and responsibilities of the Board as the leader of the organization who adds sustainable values to the business.
2. Determine the business objectives and goals for sustainability.
3. Foster effective committees.
4. Executive recruitment and development and personnel management
5. Encourage innovation and responsible business.
6. Ensure appropriate risk management and internal control systems are in place.
7. Maintain financial and information disclosure reliability.
8. Encourage involvement and communication with shareholders.

These are a guideline for the Board of Directors to apply in governance to ensure long-term good and reliable performance for the shareholders and add sustainable values to the business. In the Board of Directors meeting 7/2018 on 13 November 2018, the company’s corporate governance policy was reviewed. The 2017 CG Code was to be applied and adapted to best suit the company’s business context. Also, additional guideline that the company should improve and correct to fit the situation was specified. And the Board of Directors shall review the appropriateness of CG Code application at least once a year.

In the Committee Meeting 1/2020 held on 17 February 2020, the CG Code was approved for use to correspond with the Corporate Governance Code: “2017 CG Code” as described below:

The Corporate Governance Policy

Definitions

“**Company**” means Scan Inter Public Company Limited and its subsidiaries under control.

“**Organization**” means Scan Inter Public Company Limited and its subsidiaries under control.

“**Corporate**” means Scan Inter Public Company Limited and its subsidiaries.

“**Subsidiary**” means any company with any of the following attributes:

- (1) Controlled by the registered company
- (2) Under the governance of the company in (1) in a hierarchical pattern

“Control” means actions that appear as any of the following actions:

- (1) Holding over 50% of the shares with voting right in a juristic person.
- (2) Having control over the majority of the votes in a juristic person’s shareholders’ meeting, whether directly or indirectly, due to any reason
- (3) Having control in the nomination or the impeachment of half the committee members at a minimum, whether directly or indirectly.

“Associated company” means any company with any of the following attributes:

- (1) 20-50% of the shares are held by the registered company or a subsidiary (with voting right)
- (2) The registered company or a subsidiary has partial authority over the financial policy or the operations, but not to such extent that the policy is under control, and not as a subsidiary or a joint venture.

The shares held by the registered company or a subsidiary includes shares held by associated persons.

“Registered company” means any company with listed stocks in the Stock Exchange of Thailand.

“Company personnel” means directors, executives and employees of Scan Inter Public Company Limited and includes employees of subsidiaries and companies under control.

“Major shareholders” means shareholders holding more than ten percent of the company’s total shares with voting right. This includes shares held by associated persons.

“Independent director” means qualified directors as per Item 17 (2) of the Capital Market Supervisory Board Announcement 39/2559 on the Permission Requesting and Granting for New Issued Stocks (Code).

“Executive” means managers or the first four top-ranked personnel in a management position after the manager. **“Corporate governance”** means governing relationships and measures employed to govern the decisions of organization members towards the objectives, including (1) defining objectives, (2) defining strategies and policies, and approving business plans and budget, and (3) following up, evaluating and maintaining performance reports.

“Good governance” means corporate governance that aims to sustainably enhance the value of the business, in addition to building trust among the investors.

“Corruption” means wrongfully leveraging one’s authority or position, unlawfully utilizing the organization’s asset, defrauding, swindling, conflict of interest, window dressing or unlawful alteration or falsification of any document, and all forms of bribes including inappropriately offering, promising, giving, demanding or receiving money, asset or interest from government officials, authorities, private organizations or its employees who conduct business with the Company both domestically and internationally, whether directly or indirectly, in order to acquire unlawful interest for himself, the organization or any relevant party.

Corporate Governance

Essence of Corporate Governance

Scan Inter Public Company Limited acknowledges that good governance contributes to the company’s business efficiency. The company has applied the 2017 Corporate Governance Code (CG Code) issued by the Office of the Securities and Exchange Commission in the Board’s operations regarding corporate governance in order to sustainably enhance the value of the business and build trust among the shareholders and stakeholders.

The Board of Directors, as the organization leader, has defined the corporate governance policy for the Board, executives and employees to adhere to. The company regularly reviews the policy to ensure it is appropriate and corresponding with the business context. The policy includes the following items:

Item 1: Establish Clear Leadership Role and Responsibilities of the Board)

The Board of Directors realizes its roles and responsibilities regarding maintaining good governance. The Board of Directors is committed to perform all duties with care and loyalty. The company does not only aim for economic growth, but also sustainable development of the society and the environment.

1.1 Corporate governance-related roles and responsibilities

The Board of Directors must understand corporate governance-related roles and responsibilities, which include:

- 1) Clearly and appropriately define the company's vision, mission, objectives and operational strategies that are applicable to personnel of all levels in order to drive the organization towards a common direction, which are to be reviewed and approved each year.
- 2) Appropriately define the policies and plans and allocate the resources together with the administration department, including governing the subsidiaries and associated companies.
- 3) Govern the performance of the directors and executives to ensure efficiency and company goal achievement.
- 4) Maintain the company's financial liquidity and establish a provident fund to support employees' savings.
- 5) Ensure the strategies are employed and the performance is reported in every aspect, in order to efficiently track the performance for the company's best interest.
- 6) Arrange an annual Board of Directors evaluation, which will be proposed to the Nomination and Remuneration and Corporate Governance Committee for opinion, before presenting to the Board of Directors for consideration.
- 7) Encourage the directors to regularly participate in essential trainings to develop relevant knowledge and improve their skills.

1.2 Roles regarding sustainable value development

The Board of Directors, as the organization leader, must perform the following roles regarding sustainable value development:

- 1) Define the code of conduct in writing, including the code of conduct for the directors, the executives and the employees, and the business-related code of conduct, in order to develop organizational culture and ethics.
- 2) Define the corporate governance policy in writing in correspondence with the 2017 Corporate Governance Code (CG Code) issued by the Office of the Securities and Exchange Commission.
- 3) Define an appropriate and comprehensive risk management policy. The Risk Management Committee is responsible for reviewing the risk management policy and guidelines, which will cover major risks, as well as evaluating, following up on, and reviewing the risk management policy and system whether they are sufficient, and evaluating the effectiveness of the system and policy compliance and present the results to the Board of Directors for approval.
- 4) Define a sufficient internal control system. The Board of Directors has appointed the Audit Committee to audit the appropriateness and the effectiveness of the internal control system to ensure that the corporate's internal control system is appropriate and sufficient, in compliance with the COSO (The Committee of Sponsoring Organization of the Treadway Commission)'s internal control principle.
- 5) Define a policy on preventing and suppressing conflict of interest issues. Transactions with potential conflict of interest shall be in compliance with relevant laws. The Board of Directors shall report any conflict of interest to the company each time there is a change in the committee members.
- 6) Define an anti-corruption guideline in writing to foster the ethics of the company's directors, executives and employees and educate them on the adverse effect of corruption.

1.3 Performance of duties with care and loyalty

For maximum efficiency and benefit and to protect the interest of the shareholders and stakeholders, the Board of Directors must perform all duties with care and loyalty, including:

- 1) Govern the company's business with compliance with the law, rules and regulations associated with the business, as well as the shareholders' meeting resolutions, the laws related to stocks and the Stock Exchange and the Office of the Securities and Exchange Commission's regulations.
- 2) Ensure the internal audit office audit the company's operations according to relevant laws, rules and regulations, the shareholders' meeting resolutions, as well as defined policies and guidelines. The internal audit office shall report the audit results to the Audit Committee at least once per quarter for further presentation to the Board of Directors.

Item 2: Define Objectives that Promote Sustainable Value Creation)

The Executive Committee defines the company and subsidiaries' vision, mission, objectives and operational strategies annually for the Board of Directors' approval. The business objectives and goals should be clearly defined to serve as a guideline for personnel of all levels to drive the organization towards the common direction and develop the organizational value.

2.1 VISION

Leading energy innovations and technology in Asia Pacific.

2.2 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.

2.3 Operational goals and strategies

- 1) Regularly and precisely explore research and development opportunities in the energy business, allocate sufficient budget and create a favorable environment for the development of advanced equipment to fully support product research and development.
- 2) Build prototype product research and development partnership with appropriate testing and evaluation in order to achieve international standard.
- 3) Employ a patent strategy to develop business advantages.
- 4) Use international standard-certified products in the energy business.
- 5) Develop a complete energy-related service business.
- 6) Encourage and motivate employees to realize the importance of research and development.
- 7) Invest in environment-friendly energy businesses.
- 8) Take part in creating knowledge-based society and economy for sustainable development.

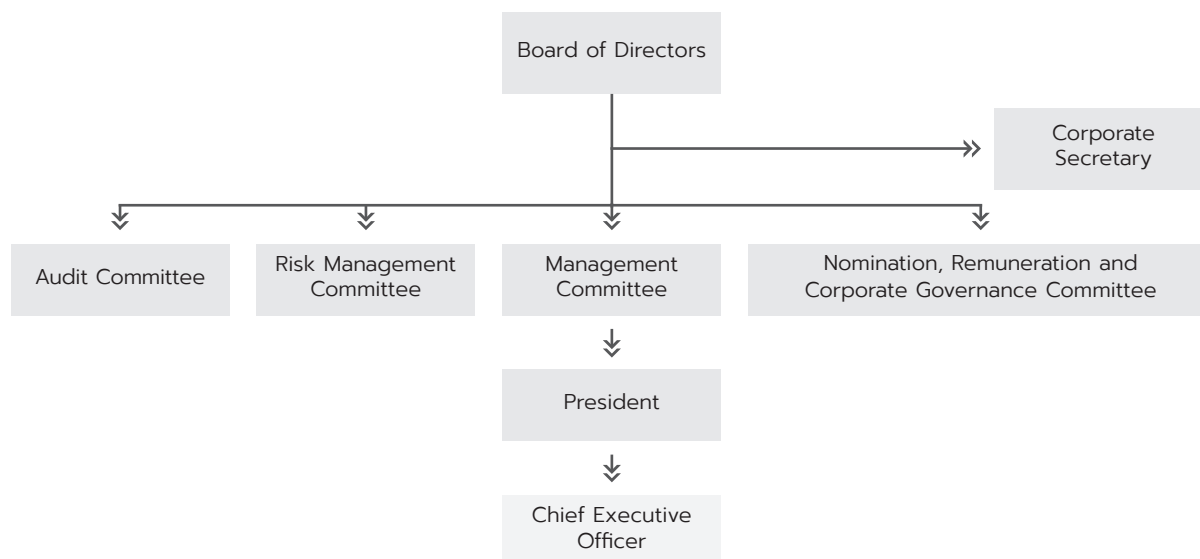
Item 3: Strengthen Board Effectiveness

The Board of Directors plays a role in governing the committee structure in terms of size, components, percentage of independent directors appropriate to the organization, and proper remuneration. In addition, the Board of Directors organizes annual performance evaluation for the committee and the sub-committees. The results are used for future improvement.

3.1 The Board of Directors Structure

The Board of Directors is aware of the importance of the committee structure which should consist of members of diverse qualifications, including professional skills, competency, specialized expertise and experience that will benefit the company, without gender discrimination. The 11 board members include knowledgeable experts with various professional experiences. There are five independent directors which is higher than one-third of the board, four of which serve in the audit committee,

auditing the internal control system, the financial reports and compliance with regulations and policies. In addition, the Chairman of the Board is also an independent director and does not hold the position of the Chairman of the Executive Committee and the Chairman of the Management Team. This is to separate the administrative governing roles from operational administration in order to counterbalance the votes.



3.2 Components of the Board of Directors

The Board of Directors is composed of:

- 1) The Board of Directors consists of at least 5 directors, appointed and removed in shareholders meetings. At least half of the directors must reside in the kingdom.
- 2) The Board of Directors consists of independent directors at least one-third of the Board, representative directors from major shareholders and directors from the company's management team.
- 3) The Board of Directors elects one director as the chairman of the Board of Directors. Once a person is appointed as the director, the company will arrange a director orientation. A Scan Inter Public Company Limited director handbook and relevant information will be delivered to all new directors in order to recognize the roles of the Board of Directors.

3.3 Qualifications of Directors

Directors should possess the following qualifications:

- (1) Meet the director qualifications as specified in the Public Company Limited Act and company regulations and are not untrustworthy according to the Securities and Exchange Commission Announcement.
- (2) Possess good leadership and vision and understand the company's business.
- (3) All directors must be able to perform their duties and express their opinions freely and dedicate sufficient time to perform their roles.
- (4) Directors may hold the director position in 5 companies or less.

3.4 Term of Office

In each annual shareholders meeting, one-third of the Board of Directors must leave the office. If the Board of Directors cannot be exactly divided in three, the number of directors leaving the office should be as close to one-third as possible. Directors who have had the longest office term shall leave. However, they may be re-elected again.

Apart from the removal due to term of office as mentioned, directors may be removed from office for the following reasons:

- (1) Lack of director qualifications according to the company regulations or the law and the Securities and Exchange Commission Announcement.
- (2) Resignation from the Board of Directors, effective on the delivery date.
- (3) Three consecutive absence from the Board of Directors meetings without advance notice and with more than half of the Board of Directors vote for removal.
- (4) Shareholders vote for removal with respect to the Public Company Limited Act.
- (5) Court order
- (6) Death

In case the entire Board of Directors is removed, the removed Board of Directors shall be in charge to conduct the company business until the new Board of Directors is effective.

In case of vacancy due to any reason other than the term of office, the Board of Directors shall appoint qualified personnel to replace the Board of Directors in the next Board of Directors meeting, unless the remaining term of the Board of Directors is less than 2 months. The appointed Board of Directors may stay in the position for the remaining term of the replaced Board of Directors.

3.5 The Board of Directors Meetings

The company states that more than 6 Board of Directors meetings shall be held annually. In each meeting, the agenda shall be clearly determined in advance. Special meetings may be held to discuss critical or urgent matters.

Meeting agenda and topics shall be determined by the chairman of the Board of Directors and managing directors. The chairman of the Board of Directors or the secretary the Board of Directors, under the order of the chairman, shall notify the Board of Directors no less than 7 days in advance. In case of critical or urgent matters, the meeting may be announced in another manner and the date may be sooner.

3.6 The Quorum

In the Board of Directors meetings, at least two-thirds of the Board of Directors must be present to constitute the quorum. In case the chairman of the Board of Directors is not present or unable to perform his/her duties, the attending directors shall appoint one director as the chairperson.

In order for the Board of Directors to vote in a meeting, at least two-thirds of the Board of Directors must be present.

The final judgement of the quorum shall follow the majority of the votes. Each director has one vote. In case of equal votes, the chairperson may contribute to finalize the vote.

Each director has one vote, except for the director with interest in that particular matter.

In case the Board of Directors does not have sufficient members to constitute the quorum, the remaining directors may act on behalf of the Board of Directors only in shareholders meetings for the Board of Directors election. Such shareholders meetings must be arranged within 1 month from the date the Board of Directors became vacant and insufficient to constitute the quorum.

3.7 Qualifications of Independent Directors

The Board of Directors has specified the qualifications of independent directors as follows:

- (1) Hold no more than 1 percent of the company, the parent company, subsidiaries, associated companies, major shareholders and the company's control persons' voting stocks. Stocks held by personnel related to the independent director are included.
- (2) Must not be or have been a committee member involved in the management of the company, the parent company, subsidiaries, associated companies, major shareholders and the company's control persons' business, employees, staff, salaried advisors or control persons unless he/she has been removed from such position for at least 2 years prior to

submitting the request to the SEC. Such incompatibilities do not include the case that the independent director has been a government officer or advisor of a government sector who is the company's major shareholder or control person.

- (3) Must not have any biological or legal relationship as the father, mother, spouse, sibling, son or daughter or the spouse of the son or daughter of any director, executive, major shareholder, control person or person nominated as a director, executive or control person of the company or its subsidiaries.
- (4) Must not have or have had any business relationship with the company, parent company, subsidiaries, associated companies, major shareholders or control persons of the company in the manner that may obstruct his/her own discretion, and must not be or have been a significant shareholder or control person of any person with a business relationship with the company, parent company, subsidiaries, associated companies, major shareholders or control persons of the company, unless he/she has been removed from such position for at least 2 years prior to submitting the request to the SEC.
- (5) Must not be or have been an auditor of the company, parent company, subsidiaries, associated companies, major shareholders or control persons of the company and must not be a significant shareholder, control person or partner of an audit office to which auditors of the company, parent company, subsidiaries, associated companies, major shareholders or control persons of the company belong, unless he/she has been removed from such position for at least 2 years prior to submitting the request to the SEC.
- (6) Must not be or have been a professional service provider, including legal and financial consulting services, that receives more than two million baht a year of service fee from the company, parent company, subsidiaries, associated companies, major shareholders or control persons of the company, and must not be a significant shareholder, control person or partner of the professional service provider, unless he/she has been removed from such position for at least 2 years prior to submitting the request to the SEC.
- (7) Must not be a director appointed to represent any director of the company, major shareholders or shareholders related to major shareholders.
- (8) Must not own a similar business significantly competitive to that of the company or its subsidiaries, must not be a partner in a partnership or a director involved in the management of the business, employees, staff, salaried advisors of a similar business significantly competitive to that of the company or its subsidiaries or hold more than 1 percent of the shares of such business.
- (9) Must not possess any other quality that prevents him/her from freely expressing his/her opinions on the company's operations.

3.8 The Chairman of the Board of Directors

The company policy states that the chairman of the Board of Directors and managing director must not be the same person in order to clearly separate the responsibilities in policy determination, business supervision and regular management. The duties and responsibilities of the Board of Directors and executives are clearly separated, and the counterbalance of operational authorities is in place. The Board of Directors is responsible in policy determination and supervision of executives in the policy level, while the executives manage the company's operations in various aspects in accordance with the policies. The Chairman of the Board of Directors is Dr. Thanong Bhidaya, who is an independent director, for his well-recognized competence and experiences. The company strongly believes that he will lead the business towards success according to the vision and mission.

The chairman of the Board of Directors' roles and responsibilities are as follows:

- (1) Schedule the Board of Directors meetings together with managing directors and ensure that the Board of Directors receive correct, complete, clear and timely information before the meetings so the Board of Directors can make appropriate decisions.

- (2) Lead the Board of Directors and act as the chairperson in the Board of Directors meetings.
 - (2.1) Conduct the Board of Directors meetings as per the schedule, the company regulations and the law.
 - (2.2) Properly allocate the time and encourage all directors to freely discuss and share opinions and carefully utilize their discretion with a consideration for all interested parties.
 - (2.3) Clearly conclude the quorum's resolution and further actions.
- (3) Lead shareholders meetings as appropriate to the occasion, the company regulations and the law. Appropriately allocate the time and equally allow all shareholders to express their opinions and ensure shareholders' inquiries are answered properly and transparently.
- (4) Encourage compliance with the company's corporate governance code and ethics and be a role model.
- (5) Foster the relationship between the Board of Directors, managing director duty management and support department and company policy implementation department.
- (6) Supervise to ensure transparent information disclosure and management in case of a conflict of interest.
- (7) Supervise to ensure proper structure and components of the Board of Directors, that the performance of Board of Directors as a whole, sub-committees, and individual directors is efficient and effective.

3.9 The Sub-Committees

There are four sub-committees working in order for every important matter to be thoroughly considered and verified before presented to the Board of Directors. The sub-committees include:

3.9.1 The Audit Committee

Components of the Audit Committee:

The Audit Committee must consist of at least three independent directors, at least one of which must be sufficiently knowledgeable and experienced for financial statement audit. The Audit Committee is nominated by the Board of Directors, who will also nominate the Chairman of the Audit Committee.

Qualifications of the Audit Committee:

Members of the audit committee must be a director qualified as independent director as per the company's definition and under the Capital Market Supervisory Board's requirements and the Stock Exchange of Thailand's announcement.

The Scope of Duties:

- (1) Verify to ensure financial reporting system and financial statement information disclosure according to the financial reporting standard are in place and encourage improvement of the financial reporting system to meet international standards.
- (2) Examine connected transactions, acquisition and disposition of assets or transactions that may involve conflict of interest to ensure compliance with the law and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- (3) Verify to ensure that the risk management process, operations, control, and operational and information technology, data security and effective communication network supervision meet international standards.
- (4) Verify to ensure that the anti-corruption process effectively corresponds with governing agencies' guidelines, from encouraging and creating awareness, risk assessment, developing preventive system, auditing, to the self-assessment on anti-corruption measure verification as verified and evaluated by the internal audit office to ensure that the company has different anti-corruption systems as reported in the Thai Institute of Directors (IOD) self-assessment.
- (5) Verify to ensure that the company has a compliance system as per the Securities and Exchange Act, rules, regulations and other relevant laws.

- (6) Verify to ensure that the company has an internal control system according to the internal control guideline and appropriate and effective internal audit that meets acceptable international standards. And examine the "Internal control system sufficiency assessment form", audited and assessed by the internal audit office to ensure a sufficient internal control system and submitted to the Board of Directors for consideration.
- (7) Verify and summarize the corruption verification result and establish an internal preventive measure and verify the company's internal process regarding whistleblowing and receiving complaints.
- (8) Verify to ensure a preventive and beneficial operational system to improve organizational efficiency and operational effectiveness.

Others:

- (1) Select, nominate, appoint or dismiss independent personnel as company auditors and recommend the company auditors' remuneration and evaluate the auditors' performance.
- (2) Prepare and disclose the audit committee's report in the annual report. The annual report must be signed by the chairman of the audit committee and contain opinions on various topics as stated in the Stock Exchange's requirements.
- (3) Verify or procure an external audit agency to verify and provide opinions on the internal audit office's performance, coordinate with the auditors and organize meetings with the auditors without the management team at least once a year.
- (4) Review and approve the internal control plan, budget and workforce of the internal control office and provide approval on the nomination, removal, transfer or dismissal of the director of the internal control office.
- (5) Review the independence of the internal control agency by reviewing the performance and reports, along with the line of supervision. And verify to ensure that the evaluation of the audit agency meets international standards.
- (6) Verify to ensure that the audit committee conducts an evaluation of the audit committee as a whole and a self-assessment annually.
- (7) Any other operation stated in the law or assigned by the Board of Directors.

As part of the scope of duties, the audit committee has the authority to summon the management team, department supervisor or employees to provide opinions, discuss or submit relevant documents and seek independent opinions from professional advisors with the company budget if applicable.

The audit committee performs according to the scope of duties and responsibilities under the Board of Directors. The Board of Directors is directly responsible for the company operations to shareholders, interested parties and the public.

The Audit Committee Meetings:

The audit committee meeting shall be arranged 4 times annually.

The chairman of the audit committee or the secretary of the audit committee, under the chairman of the audit committee's order, shall notify the audit committee of the meeting no less than 7 days in advance. In case of critical or urgent matters, the meeting may be announced in another manner and the date may be sooner.

The meetings shall be arranged according to the scope of duties.

The Quorum:

In the audit committee meetings, at least two-thirds of the audit committee appointed by the Board of Directors must be present to constitute the quorum. In case the chairman of the audit committee is not present or unable to perform his/her duties, the attending members shall appoint one member as the chairperson.

Each member has one vote, except for the member with interest in that particular matter. In order for the audit committee to vote in a meeting, at least two-thirds of the members must be present. Any member involved in the interest of a subject may not vote in the subject.

The final judgement of the quorum shall follow the majority of the votes. Each member has one vote. In case of equal votes, the chairperson may contribute to finalize the vote. In case of circular resolution, it should be finalized by the majority votes of the members present in the meeting. In case of equal votes, the chairperson may contribute to finalize the vote.

Term of Office:

The term of office of the audit committee is 3 years and is due on the general meeting of shareholders. However, they may be re-nominated.

Apart from the removal due to term of office as mentioned, an audit committee member may be removed from office for the reasons, Resignation, Lack of qualifications of the audit committee according to the charter and The Board of Directors' vote for removal.

In case of vacancy due to any reason other than the term of office, the Board of Directors shall appoint qualified personnel to replace the audit committee and fill the vacancy up to the specified minimum number of members. The appointed audit committee may stay in the position for the remaining term of the replaced audit committee.

Responsibilities of the Audit Committee:

- (1) After the audit committee is notified of the auditors discovering suspicious activities suggesting that any director, manager or person responsible for the company operations might have committed an illegal act according to article 281/2, paragraph 2, articles 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the audit committee shall verify and report the findings to the SEC and the auditors within 30 days from the date of notification.
- (2) If the audit committee discovers or suspects one of the following, which might significantly affect the financial status and the performance of the company, the audit committee shall report to the Board of Directors for correction within an appropriate timeframe specified by the audit committee.
 - (2.1) Transactions that trigger any conflict of interest
 - (2.2) Corruption or unusual activity or significant flaw in the internal control system
 - (2.3) Breach of the Securities and Exchange Act, the Stock Exchange of Thailand's requirements or relevant laws

If the Board of Directors or executives does not correct the issue within the timeframe specified by the audit committee, one of the audit committee members may report the activity or transaction to the SEC or the Stock Exchange.

3.9.2 The management committee

Components of the Management Committee:

The management committee is composed of:

- (1) The management committee consists of at least 5 directors.
- (2) The Board of Directors will appoint an executive director as the president of the executive committee. In case it is considered suitable by the Board of Directors, one or more executive directors may be appointed as vice-presidents of the executive committee.
- (3) President of the executive committee may be the same person as the managing director.
- (4) Chairman of the Board of Directors must not be the same person as the president of the executive committee.

Qualifications of Executive Directors:

Executive directors should possess the following qualifications:

- (1) Executive directors must be knowledgeable and experienced and beneficial to the company's business, honest, ethical and able to dedicate knowledge and skill to fully perform the company duties.
- (2) Executive directors must be qualified and not incompatible as stated in the Public Company Limited Act the Securities and Exchange Act and other relevant laws.

The Scope of Duties:

- (1) Conduct and manage the company's business according to the law, the company objectives and regulations and the resolution of the Board of Directors and shareholders meetings.
- (2) Determine the mission, vision, policies, strategies, objectives, business plan and budget of the company and its subsidiaries each year and present to the Board of Directors for approval or agreement and supervise to ensure that the management team conducts the business effectively and efficiently under the specified plan. Strategies and goals may be revised to align with the situation.
- (3) Recognize, support and comply with the company regulations, company ethics, anti-corruption policy, the Public Company Limited Act 1992, the Securities and Exchange Act 1992 and other relevant policies and laws.
- (4) Nominate a subcommittee and/or a working committee to conduct the company business and determine the authority, duties and responsibilities of the subcommittee and/or working committee, and supervise to ensure that the nominated subcommittee and/or working committee's operations meet the specified policies and goals.
- (5) Monitor the company's performance to ensure compliance with specified policies and goals and supervise to ensure that the operations are of good quality and efficiency.
- (6) Review the annual budget allocation as proposed by the management team and submit to the Board of Directors for review and approval.
- (7) Study the feasibility of new projects and take the authority to participate in biddings and operate projects as applicable and proceed with the relevant juristic acts.
- (8) Review and approve operations that are the company's usual transactions and operations that support the company's usual business with general commercial conditions and budget not exceeding to that approved by the Board of Directors or as approved by the Board of Directors in the principles. Under the rules of the SEC and the Stock Exchange regarding connected transactions and acquisition and disposition of assets, should follow the Table of Authority as approved by the Board of Directors.
- (9) Review the company's profit and loss, interim dividend payment or annual dividend and present to the Board of Directors for approval.
- (10) Review and determine the organizational structure and organization management, and take the authority to approve, nominate, hire, transfer, dismiss, penalize, determine the wage, remuneration and bonus of management-level employee from managers or equivalent onwards, except the executive management and managing directors.
- (11) The management committee may authorize one or more directors or other personnel act on behalf of the management committee under the management committee's control, or authorize the personnel as appropriate and with an appropriate timeline. The management committee may cancel, remove, change or amend the authorization as applicable.
- (12) Any other operation as assigned by the Board of Directors.

Authorization of duties and responsibilities by the management committee must not be an authorization or delegation of authority that enables an executive director or authorized person to review and approve any transaction in which he/she has some conflict and interest, or any conflict of interest that will affect the company or its subsidiaries (As defined in the announcement of Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange and/or any announcement of relevant

agencies). Said matter must be presented to the Board of Directors and/or in shareholders meetings (depending on the case) for approval. Exceptions are made for approval of transactions that follow the usual business or support the company's usual business. General commercial conditions apply as stated in the announcement of the Capital Market Supervisory Board and/or the Stock Exchange and/or relevant agencies.

The Meetings:

The management committee meetings are held every month to review matters appointed by the Board of Directors and review those that will be submitted to the Board of Directors for approval.

For the management committee meeting, the president of the executive committee or the secretary, under the president of the executive committee's order, shall notify executive directors no less than 7 days in advance. In case of critical or urgent matters, President of the executive committee may call for a meeting without a written notice.

The Quorum:

In the management committee meetings, at least two-thirds of the executive directors must be present to constitute the quorum. In order for the management committee to vote in a meeting, at least two-thirds of the executive directors must be present.

The final judgement of the quorum shall follow the majority of the votes. Each executive director has one vote. In case of equal votes, the chairperson may contribute to finalize the vote. In case of circular resolution, it should be finalized by the majority votes of the executive directors present in the meeting. In case of equal votes, the president of the executive committee may contribute to finalize the vote.

Term of Office:

Executive directors may be removed from office for the reasons, Death, Resignation, Lack of qualification or considered untrustworthy according to the law and The quorum's vote.

Any executive director who wished to resign shall submit a resignation form, effective on the delivery date. In case any executive director position is vacant, the Board of Directors shall appoint a qualified person as executive director.

3.9.3 The Risk Management Committee

Components of the Risk Management Committee:

The risk management committee is composed of:

- (1) The risk management committee must be nominated by the Board of Directors.
- (2) The risk management committee consists of at least 3 directors.
- (3) The risk management committee may appoint a company personnel as the secretary of the risk management committee.

Qualifications of the Risk Management Committee:

The risk management committee should possess the following qualifications:

- (1) Part of the Board of Directors
- (2) Qualified to determine a risk management policy that covers the entire organization and supervise to ensure that a risk management process or system is in place in order to control the risks and minimize the impact to the company's business. Important roles are to identify risks associated with the company's business, determine a preventive measure and monitor compliance with the measure.
- (3) The risk management committee must be qualified and not incompatible according to the Public Company Limited Act, the Securities and Exchange Act and any other relevant law.

Scope of Duties :

- (1) Review and screen the company's overall risk management measure, which covers important risks such as financial risk, investment risk, business operation risk and corruption risk. Evaluate, follow up, and review the policy and risk management system, along with the system's effectiveness and compliance and submit to the Board of Directors for approval.
- (2) Supervise and support risk management with consideration on the risk associated with each factor to appropriately make decisions.
- (3) Recognize, support and comply with company regulations, company ethics, the anti-corruption policy, the Public Company Limited Act B.E. 2535, the Securities and Exchange Act B.E. 2535 and other relevant policies and laws.
- (4) Consider the risks associated with the company's business such as investment risk, management risk, financial risk, corruption risk, data security risk, legal and regulative risk, and provide corrective measure and remedies to attenuate the impact down to an acceptable level. Follow up, evaluate and improve operation plans to minimize the risks and consequences as applicable to the business situation.
- (5) Acknowledge and provide opinion on the anti-corruption measure monitoring result and risk management system verification in connection with the risks triggered by corruption to ensure secure, appropriate, modern and efficient operations that meet acceptable standards.
- (6) Report the risk assessment result and controlling measure compliance supervision and/or specified risk management to the Board of Directors regularly. In case of an important matter that might significantly affect the company's financial status and performance, the risk management committee shall report to the Board of Directors in order to seek a controlling and/or risk management measure as soon as possible.
- (7) A working committee may be established if applicable.
- (8) Any other risk management-related activity as specified by the Board of Directors.

The Meetings:

The risk management committee meetings shall be held at least twice a year. For the risk management committee meetings, the chairman of the risk management committee or the secretary of the risk management committee, under the order of the chairman of the risk management committee, shall notify the risk management committee no less than 7 days in advance. In case of critical or urgent matters, the meeting may be announced in another manner and the date may be sooner.

Quorum:

In the risk management committee meeting, at least two-thirds of the risk management committee must be present to constitute the quorum. In case the chairman of the risk management committee is not present or unable to perform his/her duties, the attending members shall appoint one member as the chairperson.

Each member has one vote, except for the member with interest in that particular matter. In order for the risk management committee to vote in a meeting, at least two-thirds of the members must be present.

The final judgement of the quorum shall follow the majority of the votes. Each member has one vote. In case of equal votes, the chairperson may contribute to finalize the vote. In case of circular resolution, it should be finalized by the majority votes of the members present in the meeting. In case of equal votes, the chairperson may contribute to finalize the vote.

Term of Office:

The risk management committee is nominated by the Board of Directors with a term of office of 3 years starting from the nomination date. However, the risk management committee maybe re-nominated if approved by the Board of Directors.

The risk management committee may be removed from office for the reasons, Death, Resignation, Lack of qualification or considered incompatible according to the law and The Board of Directors' vote.

3.9.4 The Nomination and Remuneration and Corporate Governance Committee

Components of the Nomination and Remuneration and Corporate Governance Committee:

The nomination and remuneration committee consist of the nomination and remuneration committee must consist of at least 3 directors, one of which must be the company's independent director and the Board of Directors nominates the nomination and remuneration committee.

Qualifications of the Nomination and Remuneration and Corporate Governance Committee:

The nomination and remuneration and corporate governance committee should possess the following qualifications:

- (1) Neutral in the nomination and selection of personnel who should be nominated as the Board of Directors in place of the Board of Directors leaving the office because the term is finished or other reasons, prepare the information of the said personnel for the Board of Directors' consideration.
- (2) Have a vision and regularly monitor the change in the company's performance in order to improve the remuneration criteria.
- (3) Able to perform duties, express opinion and report the operation result freely.
- (4) The nomination and remuneration committee must be qualified and not incompatible according to the Public Company Limited Act, the Securities and Exchange Act and any other relevant law.

In case the entire nomination and remuneration committee leave the office, the leaving nomination and remuneration committee shall remain in charge until the new nomination and remuneration committee is effective.

In case of vacancy due to any other reason than completion of the term of office, the Board of Directors shall nominate qualified personnel as the nomination and remuneration committee to fill the nomination and remuneration committee as specified by the Board of Directors. Nominated personnel may be in charge during the remaining term of office of the replaced nomination and remuneration committee.

Scope of Duties:

- (1) Comply with the company's policies and governing agencies' requirements.
 - (1.1) Accept and comply with company regulations, company ethics, the anti-corruption policy, the Public Company Limited Act B.E. 2535, the Securities and Exchange Act B.E. 2535 and other relevant policies and laws.
 - (1.2) Support and comply with the anti-corruption policy and measure. Review the policies and guidelines to ensure they are appropriate with the changes in the business, policies, rules, announcement, legal requirements and regulations.
- (2) Nomination
 - (2.1) Consider the structure, size and components of the Board of Directors as appropriate with the organization, business and environment.
 - (2.2) Determine the nomination process and criteria, and qualifications of nominee for the Board of Directors, directors and executive management.
 - (2.3) Consider, select and screen qualified personnel for the Board of Directors, managing directors and executive management and propose to the Board of Directors and/or shareholders meetings for approval.

(3) Remuneration

- (3.1) Determine the policy and consider monetary and non-monetary remuneration criteria for the Board of Directors, managing directors and executive management properly and fairly and propose to the Board of Directors and/or shareholders for approval.
- (3.2) Any other activity assigned by the Board of Directors and relevant to nomination and remuneration of directors and executive management.

(4) Corporate governance

- (4.1) Propose good corporate governance guideline to the Board of Directors.
- (4.2) Establish a good corporate governance policy for the good corporate governance working committee of the company and report the result of good corporate governance to the Board of Directors.
- (4.3) Supervise operations of the Board of Directors, sub-committees and management team to ensure compliance with the good corporate governance code and business ethics and morals.
- (4.4) Review the company's good corporate governance guideline and compare with the Security and Exchange Commission and the Stock Exchange of Thailand's good corporate governance code and propose to the Board of Directors in order to update the guideline regularly.

(5) Knowledge and Skill Improvement for Directors

- (5.1) Continuously develop training improvement plans related to directors' duties and the company's business for the committees and executive management to maximize their potential.
- (5.2) Establish a development plan for executive directors and executive management (Succession Plan) in order for them to be capable for succession in case any executive director or executive management retires, resigns or is unable to perform his/her duties.

The Meetings:

The nomination and remuneration committee meetings shall be held when the Board of Directors, managing directors or executive management needs to be nominated or when remuneration is to be determined. For the nomination and remuneration committee meeting, the chairman of the nomination and remuneration committee or the secretary of the nomination and remuneration committee, under the order of the chairman of the nomination and remuneration committee, shall notify the nomination and remuneration committee no less than 7 days in advance. In case of critical or urgent matters, the meeting may be announced in another manner and the date may be sooner.

The Quorum:

In the nomination and remuneration committee meetings, at least two-thirds of the nomination and remuneration committee must be present to constitute the quorum. In case the nomination and remuneration committee is not present or unable to perform his/her duties, the attending members shall appoint one member as the chairperson.

In order for the nomination and remuneration committee to vote in a meeting, at least two-thirds of the members must be present. Each member has one vote, except for the member with interest in that particular matter. In case of equal votes, the chairperson may contribute to finalize the vote.

The final judgement of the quorum shall follow the majority of the votes. Each member has one vote. In case of equal votes, the chairperson may contribute to finalize the vote. In case of circular resolution, it should be finalized by the majority votes of the members present in the meeting. In case of equal votes, the chairperson may contribute to finalize the vote.

Term of Office:

The nomination and remuneration committee, nominated by the Board of Directors, shall have a term of office of 3 years since the nomination date. However, the nomination and remuneration committee may be re-nominated by the Board of Directors.

The nomination and remuneration committee may be removed from office for the reasons, Death, Resignation, Lack of qualification or considered incompatible according to the law and The quorum's vote.

3.10 Director Nomination and Appointment

In order for the nomination and appointment of the Board of Directors to be compliant with the rules and the good corporate governance code and transparent, the Board of Directors has nominated 3 members of the nomination and remuneration committee to nominate directors in times of vacancy or completion of the term of office. The nomination committee will nominate and select applicable persons based on the following independent director nomination and appointment rules:

Nomination and Appointment:

The rules are based on suitable qualifications for the company's business and transparency.

- (1) Allow minor shareholders to nominate qualified persons for election as well as nomination of major shareholders.
- (2) Qualifications as specified by relevant laws and requirements, including the Public Company Limited Act, the company regulations and good corporate governance code
- (3) Compliance with the Board of Directors Nomination rules of the Stock Exchange of Thailand
- (4) Consider the skills, experiences, profession and various specific qualifications that the Board still lack of and are beneficial to the company's business first regardless of gender, nationality or any other difference for the Board of Directors to be complete for the company's best interest.
- (5) Consider the interest and conflict of interest of the independent director

Directors:

The rules nominating new directors are composed of the following components:

- (1) Relevant qualifications as specified by the law and applicable requirements, including the Public Company Limited Act, the company regulations and good corporate governance code.
- (2) Knowledgeable and skillful with diverse experiences in different fields beneficial for directors' duties.
- (3) Necessity for the Board of Director structure. The skill matrix will be considered with engineering, law, finance, accounting, economy, security, and management skills taken into consideration in order to integrate the knowledge beneficial to the company's operations.
- (4) Consent of the nominated person.

The rules for re-nominating existing directors are composed of the following components

- (1) Past performance
- (2) Beneficial suggestions and opinions given
- (3) Dedication to the organization
- (4) Activity participation

Independent Directors:

Independent director selection and nomination is based on the Office of the Securities and Exchange Commission (the SEC)'s requirements regarding the number of independent directors in the Board of Directors.

In case of vacancy due to other reasons than completion of term of office, the nomination committee may nominate and propose qualified persons for the Board of Directors and vote with at least three quarters of the remaining directors. The replacing director's term of office will be equal to the remaining term of the replaced director.

3.11 Director Remuneration

Director remuneration must be approved in the shareholders' meeting, with the following criteria:

- (1) Company performance, as compared to that of other companies of similar business and size listed in the Stock Exchange of Thailand
- (2) Experience, roles, responsibilities and scope of work of each director
- (3) Benefits the company is expecting to receive
- (4) The remuneration must be appealing to qualified directors suitable for the company's situation and needs

The Nomination and Remuneration and Corporate Governance Committee proposes the remuneration policy to the Board of Directors for agreement, before presenting in the shareholders' meeting for approval.

The policy does not apply to executives and employees, who receive salaries, annual bonuses and company benefits, as well as potential pension as deemed appropriate by the Board of Directors.

3.12 Annual Committee Performance Evaluation

The Nomination and Remuneration and Corporate Governance Committee has established a committee performance evaluation form which is reviewed annually. The company secretary compiles the forms into a report and presents the report to the Board of Directors for consideration. The committee is evaluated in the following aspects:

- (1) Structure and qualifications
- (2) Roles, duties and responsibilities
- (3) Meetings
- (4) Performance of duties
- (5) Relationship with the administrative department
- (6) Self-development and executive development

The evaluation results will be used for future improvement.

The Company has also established CEO assessment annually, the assess has been made on the first quarter of the following year.

3.13 Competency Development for Directors

The Board of Directors has a policy to support and facilitate trainings for directors regarding important legal matters for directors of registered company and corporate governance, as well as for the audit committee and executives. Regular trainings are also organized for performance improvement. In case of any change in the committee or new directors, the administrative department will provide beneficial documents and information for them, as well as introduce the business and the company's operational guidelines to the new directors.

The company encourages its directors to participate in relevant training sessions and conferences with the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and the Thai Institute of Directors, as well as organizes orientation sessions for new directors for them to see the production and distribution processes and other important operations.

3.14 Managing Directors

The scope of duties and responsibilities of managing directors are as follows:

- (1) Supervise, manage, operate and perform according to the company's usual business for the company's interest to ensure alignment with the company objectives and regulations, rules, resolution, policy, plan and budget specified by the Board of Director and/or shareholders meetings under relevant laws and authority.
- (2) Supervise the operation and/or manage the company's routine tasks.
- (3) Prepare and present economic policy, business plan, objectives, goals, operation plan, annual budget used in business or annual reports, and specify the operational authority to present to the management committee and the Board of Directors
- (4) Adopt the Board of Directors' policy to set the direction, concept and business goal to determine the mission for the management team and administration team to implement.
- (5) Accept and comply with the company regulations, company ethics, the anti-corruption policy, the Public Company Limited Act B.E. 2535, the Securities and Exchange Act B.E. 2535 and other relevant policies or laws.
- (6) Control, verify and follow up with management team and administration team's operations, propose guidelines to resolve problems and challenges to allow executives and administration team to proceed according to specified strategies and business plan compliant with the company policies.
- (7) Monitor and evaluate monitor management team and administration team's operations, regularly report the results and progress to the management committee, the audit committee and the Board of Directors.
- (8) Establish orders, rules, announcement and memorandum of understanding to ensure the company operations are compliant with the policies and for the company's best interest and good discipline within the organization.
- (9) Determine the organizational structure and management practices and ensure they cover the details on selection, training, hiring and dismissal of company personnel and that wage, salary, remuneration, bonus and benefits for employees are specified.
- (10) Take the authority to nominate and remove company personnel subordinate to managing directors.
- (11) Consider and approve operations that involve usual business transactions and operations that support the company's usual business with general commercial conditions not exceeding the budget approved by the Board of Directors and/or the management committee, or as approved by the Board of Directors and/or the management committee under the SEC and the Stock Exchange's rules regarding connected transactions and acquisition and disposition of assets and follow the Table of Authority approved by the Board of Directors.
- (12) Other activities as occasionally assigned by the management committee or the Board of Directors.

If the managing directors or persons authorized by managing directors or personnel with possible conflict (According to the Capital Market Supervisory Board and/or the Stock Exchange and/or relevant agencies' definition), interest or conflict of interest with the company and/or its subsidiaries and/or relevant companies, the managing directors are not authorized to approve such operations. The matter must be proposed in the Board of Directors and/or shareholders meetings (depending on the case) for approval, unless they are usual business transactions compliant with normal commercial conditions according to the Capital Market Supervisory Board and/or the Stock Exchange and/or relevant agencies' specifications.

Nomination and Appointment

In the Board of Directors meeting 3/2014 on 4 December 2014, a policy regarding managing director nomination and appointment was approved. The nomination and remuneration committee will pre-screen qualified personnel with appropriate knowledge, skill and experiences beneficial for the company, good understanding of the company's business and ability to achieve the goals specified by the Board of Directors. The choice will be proposed to the Board of Directors for approval.

3.15 The Company Secretary

The company secretary must possess knowledge, competency and experience related to the company's operations as have a good understanding of the duties and responsibilities stated in the Securities and Exchange Act and the Office of the Securities and Exchange Commission's regulations. The scope of the company secretary duties is as follows:

- (1) Provide basic advices to the directors regarding compliance with the law, requirements, rules and regulations of the company regulations and ensure it is regularly and appropriately implemented.
- (2) Take care of information and report disclosure as applicable according to the Stock Exchange and the SEC's regulations and requirements.
- (3) Prepare and maintain documents as follows:
 - (3.1) Register of directors
 - (3.2) Board of Directors meeting appointment and reports
 - (3.3) Shareholders meeting appointment and reports
 - (3.4) Annual reports
- (4) Maintain the reports of interested submitted by directors and executives.
- (5) Other operations as specified by the Capital Market Supervisory Board.
- (6) Deliver copies of the reports of interest according to article 89/14 submitted by company directors and executives to the chairman of the Board of Directors and the chairman of the audit committee within 7 working days since the company received the reports.

Item 4: Ensure Effective CEO Recruitment and Employee Management

The Board of Directors plays a key role in the CEO and employee recruitment and development to ensure they possess knowledge and competency that will benefit and drive the organization towards the goal.

4.1 CEO and Employee Recruitment

As previously mentioned in item 3, the Nomination and Remuneration and Corporate Governance Committee will recruit personnel with qualifications, knowledge, skills and experiences that benefit the company's operations, who understand the company's businesses and are able to carry on the tasks towards the objectives and goals. The recruitment plan will be proposed to the Board of Directors for approval.

Regarding CEO and employee recruitment, the company applies fair recruitment and selection processes, taking into account knowledge, skills, experiences and qualifications suitable for each position in order to enhance the company's business capability.

The company determines the remuneration based on the job description, position, responsibilities, experiences, educational background and competency of the employees, as well as wages and salaries offered by other companies operating similar business.

4.2 CEO and Employee Development

The company understands the importance of human resource development and treat employees as valuable resources, which are a key factor to driving the company towards the goals and achieving business plan. The company focuses on establishing human resource management policy, covering employee development, skill and competency improvement and employee responsibilities. The company has organized internal training courses suitable for its businesses in order to enhance the employees' skills to improve efficiency and accommodate the changing business. The following courses are offered:

- (1) Executive courses: improve management skills for supervisory-level employees, including strategic planning for organizational growth awareness, organizational capability evaluation against business competition and risk factors, people management, task management, leadership skill development for roles and responsibility awareness and effective management, and guidelines and regulations for Stock Exchange-listed companies.
- (2) General courses: include the orientation which all employees are required to attend in order to be informed of the company's human resource management regulations and guidelines and to understand their roles and responsibilities, be able to carry on tasks as required by the company objectives; safety training, natural gas-related training and required trainings related to various standards.
- (3) Specialized courses: focus on specialized skill training based on the employee's function. The department notifies the human resource department to organize trainings based on the objectives. After the training, the employees are tested and evaluated to ensure they are knowledgeable and capable of performing the tasks, and to establish a standard to reduce errors and operating costs.

Item 5: Innovation and Responsible Business Promotion

The Board of Directors encourages the use of innovation and technology in the operations to increase opportunities and enhance the efficiency, and gives priority to the responsibility to the society and the environment.

5.1 Innovation and Technology Promotion in Business

From the company slogan "Creating Sustainable Energy", energy-related technology is being researched and improved to achieve sustainable and efficient energy consumption. The company focuses on the invention and the development of engineering equipment and parts to replace imported products in order to improve competitive advantage, reduce operating cost, and fulfill customers' needs and trust. The company's regular innovative research and development have led to the invention of practical equipment such as natural gas compressor and natural gas depressurization system.

In addition, the company implemented a clean energy project for Thai people. The company's businesses have contributed a lot to the energy sustainability regarding the use of NGV/CNG in Thailand. Annual carbon dioxide emission from the company's production, transportation and distribution operations have reduced in an amount equivalent to 770,000 tons of greenhouse gas, and equivalent to the emission from coal and natural gas power plants with capacities of 242 and 434 megawatts respectively. This can significantly improve the environmental condition. The reduced carbon dioxide emission is equivalent to planting 770,000 trees annually (one tree can absorb 1,000 kilograms of carbon dioxide in a year).

5.2 Business Operations under Environmental Standard

The company has a code of conduct regarding business operations under environmental standard as follows:

- (1) Operate businesses with a consideration on environmental conservation, safety management standard and compliance with environmental laws and regulations.
- (2) Encourage products and services with safety, environmental conservation and energy-related considerations.
- (3) Promote environmental conservation activities to encourage efficient resource consumption and educate employees about environmental conservation.

5.3 Social and Environmental Responsibilities

The company has a policy on responsible business for the society and the environment in terms of safety, livelihood and natural resource conservation, efficient energy consumption promotion and consideration for the community and the society, with the following details:

- (1) Encourage social responsibility among employees of all levels.
- (2) Refrain from supporting or getting involved in unlawful activities.
- (3) Encourage livelihood and environmental improvement activities for nearby communities and other communities to give back to the society.
- (4) Operate the business with the environment in consideration. Strictly comply with environmental laws, regulations, standards and requirements to minimize the impact from the organization's activities. Regularly educate employees on environmental issues.
- (5) Promote environmental conservation and encourage environmental responsibility and efficient energy consumption among employees through various media such as information boards and internal news channel.

Based on the aforementioned guidelines, the company has organized the following projects:

- (1) "Thai Kem Kaeng" Industrial Compressed Natural Gas (iCNG) project involves the manufacturing, transportation and distribution of compressed natural gas (CNG) for industrial plants as a substitute for fuel oil and liquified petroleum gas (LPG). In 2018, the company manufactured, transported and distributed over 27,000 tons of CNG, equivalent to fuel cost reduction of over 171 million baht per year. It was a tangible competitive capability improvement for the domestic industrial sector. The company was able to reduce energy-related cost for personal vehicle users and improve business capability for domestic entrepreneurs from the reduced fuel cost. It also reduced the dependency on imported fuel.
- (2) The Associated Gas project takes advantage of the excess natural gas produced in Petchaboon, which was normally flared. The low-pressure gas is released from systems and does not have any economic value, but it causes environmental impact, both at the site and to the adjacent communities, due to toxicity. The company operates energy businesses, especially complete natural gas business, and is capable of compressing and transporting natural gas for distribution to the industrial sector, adding economic value and reducing pollution, as well as replacing non-renewable energy.
- (3) Thailand Voluntary Emission Reduction Program (T-VER), a collaboration with Thailand Greenhouse Gas Management Organization (Public Organization), has an objective to promote voluntary greenhouse gas emission reduction in Thailand. Participants receive carbon credits, called TVERs, in exchange for the reduced amount, which can be sold in the domestic voluntary carbon market. Also, the project fostered common benefits in various aspects, such as pollution reduction, fossil fuel consumption reduction, green space increase and community revenue increase.

- (4) Bangpasee Environment-Friendly Solar Power Plant is a clean energy development project. Bangpasee Solar Power Plant was able to reduce 4,375 tons of equivalent carbon dioxide generation (during 1 February 2017 – 31 January 2018), measured by Faculty of Engineering, Chulalongkorn University. The Thailand Voluntary Emission Reduction Program is run as part of Scan Inter Bangpasee Solar Power Plant project, generating electricity as alternative clean energy to reduce environmental impact from greenhouse gas and the greenhouse effect and educate nearby communities and encourage them to leverage from the knowledge. The company's technology and knowledge support regarding the use of clean energy in place of non-renewable energy was much appreciated by the communities.
- (5) Bangpasee Solar Power Plant Career Support Project involves selecting representatives from the community to provide solar panel cleaning service, which is an important process for the best efficiency of the plant. The solar panels are key equipment that receives solar energy from the sun. As time goes by, dust may accumulate on the panel. The company supports the community by hiring locals to clean the panels. The project has been well-received so far and has improved the people's income and unity.

In addition, the company has organized several others community service activities, such as scholarship offers for students, donation to Ruamkatanyu Foundation and forest planting.

Item 6: Strengthen Effective Risk Management and Internal Control

The Board of Directors ensure effective risk management system and internal control system are in place for the company to effectively achieve the objectives and comply with relevant laws and standards.

6.1 Risk Management

The Board of Directors has appointed the Risk Management Committee to review the overall risk management guideline and policy, which covers key risks such as financial risk, investment risk, business operation risk and risk of corruption, among others, as well as evaluate, monitor and verify whether the policy and the system are adequate and effective, along with compliance with said policy and system, and present the findings to the Board of Directors for approval.

6.2 Internal Control

The Board of Directors has appointed the Audit Committee to audit the appropriateness and effectiveness of the internal control system to ensure the system is suitable for the corporate and aligned with COSO (The Committee of Sponsoring Organization of the Treadway Commission)'s internal control principles, which covers Management Control, Operational Control, Accounting and Financial Control and Compliance Control. The Audit Committee should also establish a verification and counterbalance mechanism that is effective and adequate for protecting the company's asset, specify a hierarchy of approval authority and roles and responsibilities of executives and employees that counterbalance each other, stipulate a written operational regulations. An internal audit agency and/or external audit agency, reporting to the Audit Committee, should be nominated to audit the operations of all departments and ensure they comply with the regulations, and evaluate the efficiency and adequacy of the internal control system.

6.3 Use of Internal Information

The company understands the importance of use of internal information. For transparency and avoidance of internal use of non-disclosed information for personal interest, the company has established use of internal information policy as follows:

- (1) Educate directors, executives and management-level personnel in the accounting and finance departments holding a minimum position of department manager or equivalent on their obligation to prepare and submit securities holding reports of themselves, spouses and minor children to the Office of the Securities and Exchange Commission, according to article 59 and the penalty code in article 275 of the Securities and Stock Exchange Act B.E. 2535 (amendments included).
- (2) Directors, executives and management-level personnel in the accounting and finance departments holding a minimum position of department manager or equivalent are obliged to prepare and submit securities holding reports of themselves, spouses and minor children to the Office of the Securities and Exchange Commission within 30 days after they are assigned the position of director or executive, and report changes in the securities holding within 3 days after the purchasing, selling or receiving the securities.
- (3) Directors, executives and management-level personnel in the accounting and finance departments holding a minimum position of department manager or equivalent, as well as any relevant personnel who is aware of any significant insights that could affect the stock price, must not trade the company's securities during the period prior to the disclosure of financial statement or the company's financial status, until the company discloses the information to the public. The company shall notify directors, executives and management-level personnel in the accounting and finance departments holding a minimum position of department manager or equivalent to refrain from trading in writing at least 30 days prior to the disclosure. Trading shall not begin until at least 24 hours after the disclosure and said insights shall not be disclosed to any other person.
- (4) In addition to the directors, executives and management-level personnel in the accounting and finance departments holding a minimum position of department manager or equivalent, regulations and rules are also in place for the employees regarding confidential and/or internal information protection and not disclosing them for personal interest, whether directly or indirectly and whether or not any benefit is offered in exchange. It is also prohibited to purchase, sell, transfer or receive the company securities and/or perform any transaction that could cause direct or indirect damage to the company with the advantage of confidential and/or internal information.
- (5) Establish a disciplinary penalty code for using internal information for personal interest. This could include verbal or written warning, wage deduction, unpaid suspension or employment termination, as long as it is legal, depending on the intention and the severity of the action.

In addition, the company has established a code of conduct regarding securities trading and use of internal information as follows:

- (1) It is prohibited to use internal information not yet publicized on the company or the Stock Exchange website as an advantage in securities trading.
- (2) It is prohibited to disclose internal information to irrelevant persons, including family, relatives and friends, among others.
- (3) It is prohibited to give advice or opinion on securities trading to external parties.
- (4) Company personnel are not allowed to purchase, sell or transfer company securities within 30 days before the disclosure of quarterly and annual financial statements.
- (5) Company personnel are not allowed to purchase, sell or transfer company securities prior to the disclosure of internal information that might affect the stock price.

Company directors and executives are aware of their obligations and responsibilities regarding internal information and not using it for personal interest. Executives are required to report any change in securities holding to the Office of the SEC as per article 59 of the Securities and Stock Exchange Act B.E. 2535 within 3 days after the change. They shall notify the company secretary to document the change and consolidate the number of securities held by each director or executive.

6.4 Conflict of Interest Reports for Directors and CEO

The company has a policy regarding conflict of interest reports for directors and CEO, stating that directors and CEO must report any conflict of interest involving themselves and associated persons related to business administration of the company or its subsidiaries upon accepting the position of director or CEO. They must also report any change in the conflict of interest information and provide reports at the end of each year. The company secretary must submit copies of said conflict of interest reports to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the day the reports are received, to comply with the Securities and Stock Exchange Act B.E. 2535 and to allow investigation and conflict of interest prevention.

Item 7: Ensure Disclosure and Finance Integrity

The Board of Directors has a role in maintaining finance integrity and ensure adequate, reliable and timely financial and non-financial information disclosure in order to equally provide shareholders and stakeholders with information, and ensure that the administrative team appoints an agency responsible for information disclosure to investors and the public.

7.1 Ensure Disclosure and Finance Integrity

The Board of Directors has a role in maintaining finance integrity and ensure adequate, reliable and timely financial and non-financial information disclosure in order to equally provide shareholders and stakeholders with information, and ensure that the administrative team appoints an agency responsible for information disclosure to investors and the public.

- (1) The Board of Directors shall provide a mechanism to ensure the accuracy, non-misleading nature and adequacy of information disclosed to investors.
- (2) In addition to mandatory information disclosure through the Stock Exchange of Thailand, form 56-1 and annual report, the company regularly discloses up-to-date information in Thai and English through other channels such as the company website. The information disclosed on the website will consists of at least the items required by the 2017 Corporate Governance Code, for example, vision, nature of business, list of directors and executives, financial statements, financial status reports and performance reports of the current and previous years, form 56-1, annual report, shareholding structure, corporate structure and subsidiary company structure, shareholders' meeting documents, company regulations, charters, policies and information on channels or authorities for complaints and whistleblowing.
- (3) The Board of Directors shall arrange with the company to provide management Discussion and Analysis (MD&A) as a supplementary document for quarterly financial statements to notify investors of information and changes related to the company's financial status and performance in each quarter, in addition to the figures in the financial statement.
- (4) The company has a policy to prevent and handle conflict of interest, stating that all transactions that might cause any conflict of interest must comply with relevant laws. The company will ensure that its directors, executives and/or major shareholders, depending on the case, will not operate a similar or competing business to that of the company that will impair the company's competitive capability, or perform related party transactions that might be in conflict with the company or subsidiaries' best interest. Directors, executives and/or major shareholders, depending on the case, must notify the company if they hold any share in a company with similar operational objectives to that of the company and subsidiaries. The company and the Audit Committee will investigate whether it is in conflict with the company or subsidiaries' best interest.
- (5) The company gives priority to good internal control system and has established an internal audit department to audit the operations of each function in order to prevent errors and ensure transparency. The audit is carried out periodically and reports are submitted to the Audit Committee for consideration.

- (6) The company has a policy regarding conflict of interest reports for directors and CEO, stating that directors and CEO must report any conflict of interest involving themselves and associated persons related to business administration of the company or its subsidiaries upon accepting the position of director or CEO. They must also report any change in the conflict of interest information and provide reports at the end of each year. The company secretary must submit copies of said conflict of interest reports to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the day the reports are received, to comply with the Securities and Stock Exchange Act B.E. 2535 and to allow investigation and conflict of interest prevention.
- (7) The company discloses the roles and responsibilities of the Board of Directors and sub-committees, along with numbers of meetings and attendance records of all directors.
- (8) The company has a clear and transparent policy regarding for director and executive remuneration, reviewed by the Nomination and Remuneration and Corporate Governance Committee. The remuneration is comparable to other same-level companies in the industry and sufficient to retain the directors. Managing director and CEO remuneration complies with the principle and policy determined by the Executive Committee and is associated with the company and the executives' performance.
- (9) Company directors and executives are aware of their obligations and responsibilities regarding internal information and not using it for personal interest. Executives are required to report any change in securities holding to the Office of the SEC as per article 59 of the Securities and Stock Exchange Act B.E. 2535 within 3 days after the change. They shall notify the company secretary to document the change and consolidate the number of securities held by each director or executive.

Item 8: Ensure Engagement and Communication with Shareholders

The Board of Directors ensures equal treatment among shareholders, encourages participation in the company's major decisions and ensures that information and communication channels are accessible

8.1 Shareholders' rights

The company gives priority to shareholders' rights, with the rights and importance of shareholders as owners taken into consideration, using recognized and reliable process and standards. Shareholders may exercise their rights to purchase, sell and transfer securities freely and also to receive profit share from the company, attend shareholders meeting, propose agenda items in advance, nominate candidates to be elected as committee members, express opinions and decide on significant changes such as committee election, auditor nomination and audit fee determination, profit allocation, regulation and memorandum of association determination and amendment, and approval of important transactions that affect the company's business direction.

In addition, the company has implemented the following actions to support and accommodate the shareholders' exercise of their rights:

- (1) Provide important and necessary information regarding significant business operations to shareholders clearly and timely through the company website: www.scan-inter.com and through the Stock Exchange and the company's investor relations: ir@scan-inter.com, Tel: 02 503 4115.
- (2) In order for shareholders to learn the information regarding shareholders meeting, the company delivers shareholders meeting invitation and supplementary documents to shareholders at least 21 days before the meeting (or by any other timeline as dictated by the law). The invitation contains the date, time, venue and agenda. Explanation and reasons for each agenda or proposal are also provided along with the Board's opinions, authorization form and list of independent directors so shareholders can authorize them to attend the meeting. The company has chosen Thailand Securities Depository Co., Ltd., the company's stock registrar, to deliver the invitation letters and distribute on the company website.

- (3) If shareholders are unable to attend the meeting, they may delegate an independent director or any person to attend the meeting on their behalf, using one of the 3 authorization forms delivered together with the invitation.
- (4) The company allows shareholders to propose agenda items for the meeting and nominate a committee member. The information is posted through the Stock Exchange's channels and the company website, where the criterion is stated in detail. Shareholders may propose agenda for the meeting and nominate a committee member through specified communication channels.
- (5) The company allows shareholders to submit their questions before the meeting. The submission instruction will be specified and communicated to the shareholders together with the shareholders meeting invitation and through the company website. During the meeting, the chairman of the Board of Directors, who is the chairperson of the meeting, will allow the shareholders to express their opinions and inquire on matters after each agenda item report or presentation, or after completing all agenda items.
- (6) The company has a policy to support and provide convenience for shareholders and institutional investors to attend shareholders meetings. The company shall choose a venue accessible by sufficient public transportations for the shareholders to travel to the venue easily. Moreover, the company will arrange a registration channel at the venue for individual shareholders and institutional investors. A barcode system is used in the registration and voting to make the registration and vote processing accurate and quick. Revenue stamps for authorization forms are also provided for the convenience of the shareholders.
- (7) In shareholders meetings, the company shall consider each item according to the agenda specified in the meeting invitation without any change or consideration of any other item not specified in the invitation.
- (8) The company provides independent legal consultant and auditor representative as witness during the vote counting to ensure transparency and compliance with the law and regulations. Representative from the Thai Investors Association will also be observing.
- (9) The company shall disclose the general meeting of shareholders voting result from each agenda through the Stock Exchange's channels and on the company website after the meeting.
- (10) The company records complete minutes of meeting containing important information, such as list of directors and management team members attending the meeting, voting procedure, resolution, voting result from each agenda and questions, clarifications and opinions made in the meeting. The company also prepares a shareholders meeting report within 14 days after the meeting and distribute the report through the Stock Exchange's channels and on the company website.

8.2 Equal treatment for all shareholders

The company treats all shareholder, including executive and non-executive shareholders, institutional investors, major and minor shareholders and foreign shareholders, with equality and justice. The good practices are specified below:

- (1) The company adopts a process that allows the minority of shareholders to participate in the company's management by allowing them to propose agenda items for the general meeting of shareholders and nominate qualified candidates for the Board of Directors prior to the shareholders meeting. The company informs the shareholders of the details and criterion through the Stock Exchange's channel and the company website 4 months prior to the meeting to assure the minority of shareholders of their rights to propose matters related to significant changes in the company and elect independent directors to take care of their interest.
- (2) Executive shareholders shall not add any unnecessary agenda item without advance notice, especially important matters that shareholders might need time to study before making a decision.

- (3) The Board of Directors allows shareholders to nominate directors individually.
- (4) The Board of Directors specifies the guideline for maintaining and protecting internal data usage and communicates to all personnel in the organizations. It also specifies that all directors and executives responsible for reporting security ownership according to the law must submit said report to the Board of Directors regularly and disclose the information in the annual report.
- (5) Directors with significant interest that might prevent them to express their opinions independently shall not participate in discussing the agenda.
- (6) The company discloses the details and reasons for connected transactions that are subject to information disclosure or shareholders' approval according to the Stock Exchange's requirements. The names and relations between connected persons, pricing and transaction value determination policy and the Board's opinion on the transactions are clearly revealed to the shareholders.
- (7) In the past year, the company made no trading transaction that is disobedient or non-compliant to the Stock Exchange and/or the Securities and Exchange Commission's rules.
- (8) The company delivers Thai version of the invitation and supplementary documents to Thai shareholders and English version for foreign shareholders. All shareholders will receive the documents in a timely manner as determined by the law.
- (9) The company allows shareholders who are unable to attend the meeting in person to authorize representatives to attend the meeting and vote on their behalf. The company proposes a list of independent directors for the shareholders' consideration. The independent directors' information is submitted together with the invitation. The company provides details, information on the evidence and documents required in the authorization process, and detailed steps in order for the shareholders to prepare the documents correctly and avoid issues regarding the authorized person's participation in the meeting. In addition, the company provides revenue stamps to facilitate the procedure.

Item 9: Anti-Corruption

The Board of Directors promotes all kinds of anti-corruption activities and has therefore established the "Anti-Corruption Practice" to foster good willz and value among the directors, executives and employees and build trust among all stakeholders.

II Anti-Corruption Guideline

Scan Inter Public Company Limited and its subsidiaries ("Company") aims to signed up to participate in the Private Sector Collective Action Coalition Against Corruption (CAC) since July 2017. The certificate of membership was awarded to the Company on 21 November 2017.

The Board of Directors approved the Anti-Corruption Policy on 8 August 2017. The key principle is to prohibit all forms of corruption among directors, executives, employees and third-parties associated to the company, subsidiaries and companies under control, whether by offering, promising, requesting, claiming, giving or accepting bribe, or any behaviors directly or indirectly indicating corruption. The policy applies for all domestic businesses and transactions, as well as all relevant agencies acting on behalf of the company. The policy covers four main activities susceptible to corruption, including gifts and welcome meals, political assistance, donation and financial support. The Board of Director reviews the policy and reference documents every two years or upon changing any key item.

The Anti-Corruption Policy has specified the following duties and responsibilities:

1. Board of Directors: is in charge of drafting policies and maintain an effective Anti-Corruption support system in order to ensure that the Board realizes and emphasizes on Anti-Corruption measures and indoctrinate the concept until it becomes an organizational culture.

1. Board of Directors: is in charge of drafting policies and maintain an effective Anti-Corruption support system in order to ensure that the Board realizes and emphasizes on Anti-Corruption measures and indoctrinate the concept until it becomes an organizational culture.
2. Audit Committee: is in charge of ruling out Anti-Corruption measures and auditing financial and accounting reporting systems, internal control systems, internal audit systems and risk management system for risks related to corruption to ensure that the Company's operations are carried out in a secure, appropriate, up-to-date and efficient manner compliant with acceptable standards. It is also in charge of general complaints and corruption reports, internally and externally as applicable, and verifying the facts and reporting to the Board of Directors for punishment or corrective action in respect with the Anti-Corruption policy.
3. Executive Committee Managing Director and Management Division: are in charge of drafting systems, supporting the application of the Anti-Corruption policy and communicating the policy to employees and all related parties. They are also in charge of revising the appropriateness of systems and measures
4. Risk Management Committee: is in charge of policy and overall risk management practice screening, including major risks such as financial risks, investment risks, business risks and corruption risk. It is also in charge of evaluating, following up and reviewing whether the risk management policy and system are sufficient, along with the efficiency of the system and policy compliance, and reporting to the Board of Directors for approval.
5. The Nomination and Remuneration and Corporate Governance Committee: promotes and complies with the Anti-Corruption Policy, reviews the appropriateness of the policy in correspondence with changes in the business situation, policy, regulations, announcement and legislation.
6. Internal Audit Department: is in charge of auditing and checking operations to ensure they are correct and in accordance with the policies, guidelines, executive authority, orders, legal clauses and terms of regulating authorities to ensure that the control system is appropriate and sufficient for any corruption risk and reporting to the Audit Committee.

For good understanding on anti-corruption activities, the company has prepared a document and distributed it through all company channels, including website, information boards, email, employee handbook, etc. to inform the directors, executives, employees and third-parties associated with the company, subsidiaries, and companies under control.

The following are future guidelines to be implemented later by the company:

Action item	Reasons the action is not yet implemented
1. The Board shall limit the term of office of independent directors to 9 consecutive years from the day of first nomination.	The Board has not limited the term of office of independent directors, directors and sub-committee members because the company believes that the directors are knowledgeable and competent personnel. Their long experiences help them understand the company's businesses which will be beneficial to the company's key strategy development.

Subsidiary and Associated Company Governance

The company has a policy to invest in businesses associated with its core business and deemed to generate common benefits or promote the company's operations in order to increase revenue generation and profit capability. As for the administration of said subsidiaries or associated companies, the company employs the following governance and administration mechanisms:

- The company nominates a representative as part of the committee according to the share percentage. The representative will attend meetings as a shareholder and will vote as directed by the Board of Directors in order to govern the subsidiaries and the associated companies towards the right direction that will maximize the company's overall interest.
- The company-appointed representative will ensure that subsidiaries and associated companies fully comply with the announcement, regulations and/or relevant rules regarding related party transactions and/or asset acquisition and distribution and/or any other important transactions.
- The company-appointed representative will ensure appropriate data recording and accounting by subsidiaries and associated companies, which will enable the company to verify and comply into the consolidated financial statement in a timely manner.
- In addition, the company will closely monitor the performance and operations of said subsidiaries and associated companies, and present the analysis result along with comments and suggestions to the Board of Directors, subsidiaries or associated companies in order to determine the policy and continuously improve the subsidiaries and associated companies' businesses.

The company appropriately governs its subsidiaries in terms of related party transactions, asset acquisition and distribution or any other important transactions. The information disclosure and transaction guidelines are applied in the same manner as in the company itself. The subsidiaries' data recording and accounting should be appropriate and allow the company to verify and comply into the consolidated financial statement and present the analysis result along with comments and suggestions to the Board of Directors and the subsidiaries in order to determine the policy and continuously improve the subsidiaries' businesses.

The company does not hold any agreement with any other shareholder regarding the administration of subsidiaries and associated companies (Shareholder Agreement) that is significant to the company's operations or administration, or share any other return apart from normal return from the shares.

Auditor Remuneration

The company provided audit remuneration for KPMG Phoomchai Audit Company Limited for auditing the company and its subsidiaries' financial statement during the accounting year ending on 31 December 2019. The remuneration for auditing the company and its subsidiaries' financial statement was 6,160,000 baht. The Promotion Certificate compliance audit fee was 100,000 baht. Therefore, in 2018, the company paid an audit remuneration of 6,260,000 baht.

The Company and its Subsidiaries	2016	2017	2018	2019
Audit fee	3,900,000	5,300,000	5,300,000	6,160,000
Promotion Certificate compliance audit fee	50,000	100,000	200,000	100,000
Others	N/A	N/A	N/A	N/A
Total	3,950,000	5,400,000	5,500,000	6,260,000

During 2016-2018 PricewaterhouseCoopers ABAS Limited was the company auditor.

2016 3,200,000 baht was approved in the annual general meeting of shareholders 2016. And an additional audit fee of 700,000 baht was approved by the executive committee for the preparation of the company's consolidated financial statement, adding up to 3,900,000 baht in total. During the year the company purchased 4 natural gas station for vehicle businesses: 1. Kaocharoen Logistics Company Limited, 2. N.T. Ebergas Gas Company Limited 3. Ammy NGV Company Limited and 4. Nampong NGV 2558 Company Limited.

2017 5,300,000 baht was approved in the annual general meeting of shareholders 2017.

In 2018 and 2019, KPMG Phoomchai Audit Company Limited was the company auditor.

2018 5,500,000 baht was approved in the annual general meeting of shareholders 2018.

2019 5,890,000 baht was approved in the annual general meeting of shareholders 2019. And an additional audit fee of 370,000 baht was approved by the executive committee for consolidated statement preparation due to two subsidiaries, Panthera Motors Company Limited and Scan Advanced Power Company Limited, were established during the year, adding up to 6,260,000 baht in total.

The persons or businesses associated with the auditors and audit companies where the auditors belong to are not related to the company and its subsidiaries. The company paid no additional service fee to the auditors.

Investor Relations

The company fully understands that both financial and non-financial related information affect investors' and stakeholders' decision. The administration recognizes the importance of complete, honest and reliable disclosure of the company's information, in compliance with the SEC and the SET's regulations. Non-relevant and non-authorized persons are not permitted to disclose information nor give an interview to the media or the public.

The company has established investor relations personnel to serve as a hub for information communication with investors. This includes financial reports, performance reports and future directions, as well as any information that may affect the company's stock. In 2019, the company organized the following events for the media and the stockholders.

Event	Number of occurrences
Analyst Meeting	2
Opportunity Day	3
Press Conference	6
Site Visit	1

Should investors or relevant personnel have any doubts or inquiries, they are welcome to contact Ms. Yukanda Wittayanon at 02 513 4116 ext. 522 or email: IR@Scan-Inter.com

II Internal Control and Risk Management

The Board of Directors has authorized the audit committee to verify the appropriateness and effectiveness of the internal control system to ensure that it is sufficient and compliant with COSO (The Committee of Sponsoring Organization of the Treadway Commission)'s internal control principles, covering management control, operational control, accounting and financial control, and compliance control.

The Board of Directors authorized the Audit Committee to audit the effectiveness of the internal control system to ensure the system is appropriate.

In the audit committee meeting 1/2020 on 13 February 2020, the committee assessed the internal control system in 5 aspects as follows:

- (1) Organizational Control and Environment Measures
- (2) Risk Management Measure
- (3) Management Control Activities
- (4) Information and Communication Measure
- (5) Monitoring

This year, the internal control system has been improved as per Dharmniti Internal Audit Co. Ltd.'s suggestions. Dharmniti Internal Audit Co. Ltd.'s has been appointed by the Audit Committee as the company's internal auditor to evaluate the internal control system and present the suggestions to the Board of Directors and the executives for further improvement.

For the internal control system, the audit committee concluded that the company's management, operations, risk management and internal control are aligned with the guideline stated in the Office of Securities and Exchange Commission's internal control system assessment, which is appropriate for the operations, goals, objectives, relevant laws and regulations, corruption prevention, reliable accounting and reporting. Dharmniti Internal Audit Co. Ltd., the company's internal auditor nominated by the audit committee, audited the organization's operations and conducted the assessment. The committee believes that Dharmniti Internal Audit Co. Ltd.'s auditor is experienced in internal audit and able to provide opinions freely and give suggestions for improvement to ensure that the internal control system is effective and help the organization achieve its operational objectives. The Board of Directors agrees with the Audit committee.

Related Party Transactions

The company has disclosed related party transaction details between itself and the subsidiaries and associated companies in the Notes to the Financial Statement of the past three years, which are presented on the company website, www.scan-inter.com. Most transactions are related party transactions done with subsidiaries in which the company's directors, executives, major shareholders and persons of authority hold no more than 10 percent of the shares, that is, the company holds more than 90 percent of the shares. No transaction has been made with any person with potential conflict in the past three years. The company has established the following policy and guideline for transactions:

Necessity and reasonableness of related party transaction

The Audit Committee's meeting No. 1/2020 on 13 February 2020 has considered related party transaction of the company in the fiscal year finished on 31 December 2019, combined with relevant inquiries by the administrative section of the company including reviewing the information as specified in the notation. Consolidated financial statements that have been audited by the company's auditor and considered that the connected transaction of the company in the fiscal year finished on 31 December 2019, it is a normal business transaction of the company and in accordance with general trading conditions in the same way that a reasonable person should execute with the party in general situation with commercial bargaining power without influencing in the other party's status as a potential conflict. (Arm's Length Basis)

Measures or procedures for approving related party transaction.

The meeting of the Board of Directors No. 1/2014 on 18 September 2014 considered and approved the policies and procedures for related party transaction to allow between the group and individual or juristic person that may have conflict in a transparent way and in order to protect the advantage of the company which can be summarized as follows:

The related party transaction or connected transaction of group of companies to be in accordance with the code of the Securities Act and the notification of Securities and Exchange Commission No. Tor. Chor. 21/2008 Re: the code of related party transaction combined with the announcement of the SET Board of Governors regarding the disclosure of information and operations of listed companies on connected transaction including rules and regulations of the SEC and / or the SET associated as well as complying with the requirements for disclosure of related party transaction in the notation to the financial statements that have been audited by the company's auditor and the form of annual registration statement (56-1)

In the event that the law requires the company must be approved by the meeting of the Board of Directors or the shareholders' meeting before making any connected transaction in any matter, the company will arrange the audit committee to check and criticize on such items and the commentary of the audit committee will be displayed to the meeting of Board of Directors or the meeting of shareholders depending on circumstances to ensure that the proposed transaction is for the best advantage of the company.

In the event that there is related party transaction between the group and individual who may have a conflict, stakeholder or may have conflicts of advantage in the future. The audit committee will give commentary on the necessity of making the transaction and the appropriateness of the price of that item by considering various conditions to be in accordance with normal business practices in the industry and comparing with the price of a third party or market price. If the audit committee does not have efficiency in considering any related party transaction that may occur, the Company will arrange for the independent expert or the auditor of the company who is appointed to be the commentator on such related party transaction for decision making of the Board of Director, the audit committee or the shareholder depending on the circumstances. The stakeholder committee will not have the right to vote in such transaction. In addition, the related party transaction will be disclosed in the notation to the financial statement which is audited or reviewed by the company's auditor.

Nonetheless, the management can approve such transaction. If those transaction have trade agreement in the same way that a reasonable person should execute with the party in general situation with the commercial bargaining power of trade without the influence of a director, an executive or related person. The company must prepare a summary report of such transaction for next meeting of Board of Directors.

Policy or trend of related party transaction in the future.

If the company requires to make a connected transaction or related party transaction with the company that may have a conflict of advantage or may have conflicts of advantage in the future. The company will strictly comply with the policies and procedures described above. The audit committee has provided guidelines for consideration by considering the necessity of the transaction on the operations of the company and comparing prices with transaction of third parties (if any) as well as considering the essence of the transaction size as well.

Furthermore, if there is the related party transaction. The company will arrange for the audit committee to criticize on the appropriateness of such transaction. In the event that the audit committee does not have expertise in considering related transaction, the company will provide the specialist who has expertise, such as an auditor or an independent property appraiser to give commentary on the related party transaction, which the commentary of the audit committee or the person with special expertise will be used for making decisions of the Board of Directors or shareholders depending on the circumstances to ensure that the transaction will not be transferred the benefits of the company or shareholders of the company to others, but it is a transaction that the company has taken as the best advantage of every shareholder.

In the event that there is a connected transaction or related party transaction that is not in accordance with general trade. There must be an approval for the necessity and appropriateness of the transaction by the audit committee and present to the Board of Directors for approval of the next transaction.

Corporate Social Responsibility

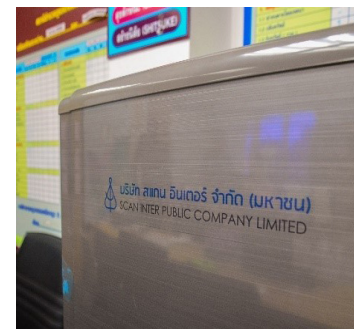
Scan Inter Public Company Limited has been operating an energy business for more than 30 years. The company gives utmost priority to corporate social responsibility (CSR), which corresponds with the company strategies, adopts the Sustainable Development Goals (SDGs) for CSR activities for sustainability and the Thai society's best interest. In the past year, the company focused on five corporate social responsibility aspects, including 1) corporate social responsibility, 2) environmental responsibility, 3) volunteering, 4) quality personnel development and 5) ethics and morality promotion.

1. Corporate Social Responsibility: Giving and Sharing Society

This is SCN's major and prioritized policy. The company adopts the good governance principle to address the needs of all stakeholders and to give back to the society. In addition to business achievement, the company wishes for sustainability of the Thai society. Various CSR activities have been organized with objectives to share and to promote giving and sharing, creating "happiness" by "giving to each other", as in the sustainable business concept.

"SCN Refreshment" Refrigerator Donation Program

The company cares about the people in the proximity and has organized the "SCN Refreshment" program to donate refrigerators to Nonthaburi Traffic Control Center for public use.



"SCN Charity Cloth Exchange"

The company implemented the 2nd internship program and organized "SCN Charity Cloth Exchange Program" CSR project for interns to promote generosity and sharing with the nearby community.



“Scan Inter Donation for Change” Cloth Donation Program

The company focuses on corporate social responsibility promotion which will lead to sustainable development, in order to promote the good attitude of giving and sharing among employees. Direct donation is made to the underprivileged, disaster victims and local communities, who are the primary target group in this program.

“Donation for Ruam Katanyu Foundation” Program

The company has given an area in Scan Inter NGV Service Station Samkok to Ruam Katanyu Foundation’s “Samkok Center” in Patumthani to use as an operational support office in order to efficiently and safely provide help to people affected by accidents in the proximity, together with a monetary donation of 20,000 baht.



“SCN One for Many” Traffic Equipment Donation for Samkok Police Station

The company donated traffic-related equipment and traffic signs to Samkok Police Station and the traffic police, with a hope to contribute to the safety of the people and the society.



“Beautiful on the Last Day” Cosmetics Donation Program

The company initiated the “Beautiful on the Last Day” CSR project for employees to donate unused cosmetics to hospitals for funeral make-up.



2. Environmental Responsibility

Nowadays, natural resources and the environment have entered a worse condition. Natural resource and environmental conservation includes environmental improvement as well. The company understands the necessity of environmental responsibility, especially in adjacent areas and communities. There are several projects that promote environmental conservation, clean energy consumption and ecological balance.

“Scan Inter Mangrove Forest Plantation” Program

The company, aware of the importance of the environment, initiated an environmental CSR project to plant mangrove forest and promote ecological balance in the coastline at Sirindhorn International Environmental Park in Petchaburi.



“Thai Kem Kaeng” Industrial Compressed Natural Gas (iCNG) Project

The Industrial Compressed Natural Gas (iCNG) Project involves the production, transport and distribution of compressed natural gas (CNG) to industrial plants as a substitution for fuel oil and liquified petroleum gas (LPG). In 2019, the company produced, transported and distributed over 27,000 tons of CNG, equivalent to over 170 million baht per year fuel energy-related cost reduction. This has improved the competitive capability of the domestic industrial sector and yielded a tangible outcome. The company was able to reduce energy-related cost for personal vehicle users and improve business capability of entrepreneurs in the country due to the decrease in fuel energy cost. This was also another way to reduce dependence on imported fuel.



Bangpasee Eco-friendly Solar Power Plant Project

Bangpasee Solar Power Plant Project is a safe and clean alternative energy development project. It is capable of generating energy equivalent to 4,375 tons of carbon dioxide, measured by Faculty of Engineering, Chulalongkorn University. The voluntary greenhouse gas reduction project complies with the Thai standard and is under Scan Inter Bangpasee Solar Power Plant Project, generating electricity as clean and renewable energy to reduce greenhouse gas and, consequently, greenhouse effect. The project also educates local communities through training sessions for further development. The company's community development through knowledge and technology, encouraging the people to learn and experiment using clean energy to replace non-renewable energy and reduce damage to the environment, has been well-recognized by Bangpasee community.

3. Volunteering

The company operates business with priority to corporate social responsibility, adopting business ethics and corporate governance code. Several corporate activities focus on employee volunteering in order to promote social responsibility among employees of all levels and encourage them to play a role in promoting CSR activities with the society's best interest in consideration.

2nd Blood Donation Project

The company collaborates with the National Blood Center, Thai Red Cross Society, and organizes annual mobile blood donation stations to support the Thai Red Cross Society by promoting donation and providing blood supply. The donated blood will be given to the people in need of treatment in hospitals. The project also provides information on blood donation self-preparation for employees and the public. The company promotes awareness of blood donation necessity and happiness from “giving” without wanting anything in return.

SCN Medicine Donation for Umpang Hospital

The company called for medicine donation from employees and the public for Umpang Hospital in Umpang, Tak. Umpang Hospital is located in a remote area and currently hosting numerous people with no identification document or nationality who are not entitled to medical benefits. The hospital is responsible for expenses, one of which includes a number of expensive medications. The company believes that every life matters regardless of nationality or social status and aims to save lives of people who are a key factor in the country's development.

Plastic Straw Pillow Project

"Garbage is a critical problem that affects the quality of life and the environment." In order to bring the concept of environmental conservation activities into real life, **SCN called for used plastic straw donation for the production of pillows for bedridden patients and invited volunteer employees to help in the making of the pillows.** Plastic straws cannot be re-used due to hygienic reasons, but they can be recycled and converted into pillows for the patients instead of getting thrown away after just one use.

4. People and Career Development

The company has a policy to improve the livelihood of community and society members, protecting them from harm and supporting their career for better life, mental and physical health through various activities. In addition, the company focuses on community and society support through long-term sustainable value adding, emphasizing social investment and commercial initiations over donation.

"Thai Dessert for Career Development" Program

The company had been supporting career development in Klong Kwang community in Sainoi, Nonthaburi since April, the month of the elderly. The program provides support to elderly people in the local community in terms of continuous career and income support. Senior people were encouraged to form career groups as a pilot social development for the elderly. A traditional Thai dessert group was formed to produce traditional Thai desserts using clean and safe natural ingredients. The desserts are sold to support the members, strengthening the households and improving the morale. The company distributes the desserts in the organization's premises and provides them as snacks for employees.



“Potential Development for People with Disabilities” Program

The company collaborated with the Center with Persons with Disabilities Occupational Promotion (Sheltered Workshop on International Year of Persons with Disabilities) and supported the making of clothes and commodities by disabled people, in order to create value and enhance the capability of the people. The concept is part of sustainable development and career enhancement for people with disabilities.



“Support for Products by People with Disabilities” Program

The company cares about people with disabilities and encourages them to improve their livelihood through opportunities and career support. The “Support for Products by People with Disabilities” program supports various products by the Center with Persons with Disabilities Occupational Promotion (Sheltered Workshop on International Year of Persons with Disabilities), including bottled drinking water.



2nd “Knowledge and Happiness Sharing” Project

The company organized the 2nd “Knowledge and Happiness Sharing” project to donate appliances in good condition to underprivileged communities nearby the company premises. A survey was conducted to identify areas where help had not yet reached. During 2018-2019, the company enhanced the livelihood of people from many different communities, such as Wat Sa Kae community and Bang Krabue community in Samkok, Pathumthani, which are located near the private natural gas service station; Maelang Ngok-ngam in Sainoi, Nonthaburi, located near the company’s Sainoi plant. Cloth and book donation were needed from employees as well, in order to serve as a knowledge sharing hub for each community.

2nd “Teenager Career Support” Program

The company operates a solar power plant construction business in Bangpasee. The plant generates renewable electrical energy. However, maintenance is a critical part to ensure maximum efficiency. The company focused on engaging local communities in the development effort and has initiated a career support program, in which community representatives were chosen to work on solar panel cleaning. The solar panels are an important equipment that receives solar power from the sun and are often covered in dust and impurities. The company would like to support the community income and encourage participation; therefore, locals have been hired to clean the panels. The program has been well-admired by the communities since it has improved their income and promoted unity among the communities.



“Sports Training for the Olympics” Program

The company donated sports equipment to local schools on Children’s Day. The company strongly believes that children and youths are key persons of the country and would like to contribute in supporting the children’s dreams of athletic career, protect them from drug abuse, promote appropriate recreational activities and maximize the athletic capability and competency of the children and youths.



“Career Development for People with Disabilities”

The company sustainably supports and enhances the livelihood of people with disabilities by recruiting high-potential people with disabilities and support their career opportunities. The company collaborated with the Department of Skill Development to establish a skill development program for people with disabilities. The company selected people with disabilities through 9th Skill Competition for People with Disabilities, the largest skill competition in the country, with over 200 participants from 20 disciplines.



Career Development for Locals Program

The company has a strong intention to operate corporate social responsibility in order to coexist in harmony with the society and the communities with mutual support and sustainable common value development. The company has announced a policy and follows the corporate social responsibility guideline, as well as livelihood enhancement policy to enhance the people’s lives, protect them from harm and provide career support for better income, livelihood and physical and mental health. The company’s support includes purchasing goods from the locals to use in the company in order to distribute the income among the communities.

5. Ethics and Morality Promotion

SCN Anti-Corruption Program

Scan Inter Public Company Limited operates business with honesty, transparency, justice and auditability. The company adheres to the corporate ethics and corporate governance code and is determined to suppress corruption in every way in order to build trust and take responsibilities for the society and all stakeholders.

The company has announced its participation in the “Private Sector Collective Action Coalition Against Corruption (CCA)” program with a determination to develop corruption-free organizational culture, promote the awareness on the adverse effects of corruption among directors, executives and employees, and promote appropriate values in order to drive the organization towards sustainability.

The company communicates its anti-corruption policy through all corporate channels, including website, e-mail, employee handbook, etc. to ensure thorough understanding among directors, executives, employees and relevant third-parties to the company, subsidiaries and companies under control. In addition to avoiding corruption, all personnel are encouraged to be observant and inform of any findings via whistleblowing channels. The company is willing to accept all notifications, keep information confidential and treat all parties fairly. Investigation period and penalty code are in place.

“SCN Clean Workplace” Program

The company conducted the annual random urine check to identify drugs as part of the Clean Workplace Program. Drug possession, abuse, distribution or acceptance, or trading are prohibited during work hours and at the workplace. Employee behaviors are regularly monitored to minimize potential problems that may occur in the company.



You may find all projects carried out throughout the year 2019 in detail in the Inter-Company Public Co., Ltd CSR booklet, which contains a comprehensive and complete content, including a representation of intention and experience in the CSR project of the company. We aim to help and contribute our effort in the development of society and the environment thoughtfully and efficiently with cooperation from stakeholders such as executives, employees, partners, customers or even the general public which have joined together to carry out various activities, resulting in the success of the projects. The company also focuses on being a medium to provide the assistance to the society as much as possible by expressing our intention through the CSR program, thus creating activities that generate maximum benefits for society and the environment in many ways. The project carried out also build a norm for social and environmental responsibility, principles of good business practices of companies that create sustainability while delivering good returns to the society and environment in a sustainable way.

Standards that the company has received

BS OHSAS 18001:2007	From the Management System Certification Institute (MASC) for receiving and paying natural gas in the main natural gas station Natural gas transportation by car From the main natural gas stations to natural gas service stations and industrial sectors.
ISO 9001:2015	<p>From Bureau Veritas Certification (Thailand) Co., Ltd. is an international standard quality management system for factories and main natural gas service stations. That can be assured that various administrative processes Can be controlled and can be examined through documents that indicate the steps and methods of work that the company has been certified in the following aspects;</p> <ol style="list-style-type: none"> (1) Design, construction, installation and service of gas and oil service stations Including gas and oil industry systems. (2) Design Install and provide bi-fuel system, dual-fuel system for cars, trucks and buses, as well as the production of assembly equipment. (3) Assemble the compressor and produce assembly equipment for NGV service stations. (4) Produce the dispenser, control panel, Priority Panel, and Decant Panel used in NGV service stations. (5) Receiving and transporting natural gas in the main natural gas compression station. (6) Natural gas sales for motor vehicles. (7) Transportation of natural gas from the main natural gas service station to the child service station. (8) Filling compressed natural gas for gas transportation vehicles. (9) Producing and selling electricity from solar energy.
TIS 18001: 2011	From the Thai Industrial Standards Institute as the standard for occupational health and safety management system according to TIS 18001-2554 standard for the scope of receiving and paying natural gas in the main natural gas station Natural gas transportation by car From the main natural gas stations to natural gas service stations and industrial sectors.
ASME (U-STAMP)	The company has been certified for the design and manufacture of Pressure Vessel from the American Society of Mechanical Engineers (ASME) by the process of design and production of Pressure Vessel. All steps will be in accordance with ASME Boiler and Pressure Vessel Code Section VII which is the standard announced by the Mechanical Engineers Association of the United States of America.

Social Responsibility Policy

1. Fair business operation

The company is committed to conducting business honestly and fairly. In accordance with the competition rules under relevant laws and regulations, taking into account the relationship between the companies to all stakeholders.

2. Anti-corruption

The company is committed to creating a culture of anti-fraud. By focusing on promoting business operations with fairness, ethics, integrity And has the determination to suspend, prevent, prevent and correct acts of corruption and misconduct By setting the business ethics and policies and actions in anti-corruption, controlling corruption for all employees to adhere to.

3. Respect for human rights

The company operates business with respect to human rights by promoting and protecting the rights and freedoms as well as treating each other equally, which is the foundation of human resource management and development.

4. Fair treatment of labor

The company is aware of the importance of personnel development that is the key to sustainable development. The company therefore gives importance to the determination of human resource management policies based on fairness. Both in recruiting Personnel development Including providing appropriate compensation to the individual's knowledge and abilities in order to maintain quality personnel.

5. Responsibility to consumers

The company recognizes the importance of consumer rights, which is to produce products and services that are safe for consumers' lives and health, also committed to research and development in order to create innovative products and services to meet the needs of consumers.

6. Environmental care

The company strictly complies with environmental laws and regulations. And measures to prevent and resolve when the environmental impact caused by the operation of the company Including developing business processes to reduce environmental impacts.

7. Community or social development

The company places importance on cooperation and participation between businesses and communities and society. By providing support for volunteer activities related to community and social development. The company aims to create sustainability in Thai society. By being a leader in clean and sustainable energy technologies and applying technology to maximize benefits for the good quality of life of the people Create more value for shareholders Including social and environmental care.

Social Responsibility Policy

The company communicates social responsibility policy to employees by clarifying at the meeting. And through the employee orientation guide to create an organizational culture working environment to create understanding and conscious of their responsibilities in delivering good products and services to consumers and society.

Stakeholders

1. Shareholder

The company realized that Shareholders are business owners and the company has a duty to create value for shareholders in the long term by treating shareholders equally Safeguard the interests of shareholders And not taking any action, which violates or deprives the rights of shareholders. As well as striving to create maximum satisfaction for shareholders by taking into account the sustainable growth of the company in order to create more value and continually provide appropriate responses Including adhering to business practices in accordance with good corporate governance principles.

2. Employees

The company recognizes that employees are valuable resources for the success of the company. Therefore, treating employees equally and fairly in terms of opportunities, rewards, welfare and potential development, including the establishment of a provident fund Maintain a safe working environment for the life and property of employees, consider the appointment, transfer, and compensation and punishment of employees with fairness. Can be measured Under the criteria that the company determines to listen to comments and suggestions based on professional knowledge of employees. Including compliance with various laws and regulations Strictly related to employees.

3. Customers

The company recognizes the importance and satisfaction of customers that affect the success of the business of the company. Therefore has a strong determination to seek ways to be able to meet the needs of customers efficiently and effectively. Customers must receive good quality products / services with safety at an appropriate price level and in accordance with the specified standards. The company is committed to strictly complying with the terms and conditions of the agreement with customers, continuously improving the standard of products and services in order to maintain good and sustainable relationships with customers and maintain customer confidentiality. Not used for the benefit of oneself or those who are wrongfully involved Including providing accurate, sufficient and up-to-date information to customers in order to know about the services that the company provides to customers without any advertising beyond the fact that causes customers to misunderstand about the quality or any conditions Of the company's services.

4. Partners and / or creditors

The company is aware of fair treatment of business partners. Considering equality, not taking advantage, and being honest in business, taking into account the best interests of the company on the basis of receiving fair compensation for both parties Including strictly complying with the various agreed conditions, in the case of failing to comply with any conditions, must inform the creditors in advance in order to jointly find solutions to problems.

5. Competitors

The company is aware of fair treatment of competitors under the rules and regulations of good competition practices, not seeking confidential information of competitors through dishonest or inappropriate means. Including not preventing others from participating in business competition, and not destroying the reputation of the competitors by accusing them of malice.

6. Society and community

The company is aware of business operations with social and community responsibility. Continuously develop communities to focus on sustainable development. Therefore has a policy to conduct business with responsibility to the community, society and the environment In terms of safety, quality of life, and conservation of natural resources, promoting energy efficiency, realizing the quality of life of communities and society.

Employee Development and Training

Employees

The company understands the importance of capability and competency improvement for employees and believes that employees are a key part of the business that contributes to the advancement and continuous improvement of the business goals and plans. Therefore, the company focuses on human resource management policy, especially on the aspect of employee development, in order to improve employees' skills and abilities to adapt to the digital disruption era, retain quality employees while maintaining the perception that they are part of the company. Employees are the ones who drive the organization towards sustainability, as stated in our mission. We will empower our employees to take part in community development and services to encourage them to be ethical, skilled, content employees who enjoy their jobs and are motivated to deliver good outcomes.

Number of Employees

As of 31 December 2019, the total number of employees of the company and subsidiaries was 357 (excluding executives) from five supervisory functions. The details are presented below:

Function	2017	2018	2019
1. Directly reporting to the CEO	144	104	67
2. Strategic	4	11	15
3. Business development	40	34	28
4. Finance	25	34	29
5. Engineering	349	381	218
	563	564	357

In 2019, Scan Inter Logistics Company Limited continuously expanded and grew. Some high-performing and competent employees who possess logistics-related skills from Scan Inter Public Company Limited were transferred to Scan Inter Logistics Company Limited to support the company's business.

The company has 8 subsidiaries in total, with 207 employees, as presented below:

Company (persons)	2018	2019
1. Siam Vasco Company Limited	7	13
2. Kaokong Petroleum Company Limited	32	26
3. N.T. Energy Gas Company Limited	10	2
4. Contorno Company Limited	2	2
5. Scan Inter Logistics Company Limited	83	131
6. Worapapha Company Limited	10	9
7. Emmy NGV Company Limited	10	9
8. Namphong NGV 2558 Company Limited	15	15
Total	169	207

Remuneration Policy

Scan Inter Public Company Limited has a remuneration policy stating that the wage should be reasonable for the job and decent employee benefits should be provided because the company sees all employees as a key element in business operations.

The company has established department and individual-level performance evaluation systems which cover work target determination, progress monitoring, development and evaluation against individual indicators to ensure that performance management is in correspondence in the individual, department and organization levels and is reliable and fair, in order to motivate the employees, foster the company's sustainable long-term growth and benefit both the company and the employees.

1. The employment is fair and the company provides equal career advancement opportunities for all employees.
2. The company provides employees with opportunities to perform at their best, with reasonable rewards and motivation in the forms of salary, annual bonus, educational opportunities and internal and external training sessions.
3. The company provides employee benefits, such as provident fund, insurance, health insurance, an annual health check, uniforms, shuttle transportation and financial aids.
4. The company provides competitive remuneration based on other companies in the same business, position, experience, knowledge and employee qualifications.

Compensation and Benefits

The company provides reasonable and competitive compensation and benefits, including salary, bonus, overtime compensation, social securities and provident fund, based on the current economic situation. Benefits include health insurance, life insurance, accident insurance, health check, salary increase and other extra benefits like influenza vaccination and special-rate loans.

During the account years ending on 31 December 2016-2019, the company provided employees with salary, bonus, overtime compensation, social securities and provident fund as stated in the table below:

Compensation (baht)	2016	2017	2018	2019
Salary	172,258,144.71	135,045,063.75	127,114,136.01	121,207,061.08
Bonus	9,905,379.00	9,889,269.00	5,984,779.00	8,735,560.00
Overtime compensation	15,663,760.00	9,459,466.00	6,813,070.00	5,718,697.00
Provident fund	1,448,744.29	2,781,860.49	2,976,880.54	3,199,466.78
Others, such as social securities	5,154,147.50	4,524,756.00	4,175,351.00	3,644,936.00
	204,430,175.50	161,700,415.24	147,064,216.55	142,505,720.86

Significant Labour-Related Disputes in the Past Five Years

The company has no significant labour-related disputes in the past five years. On the other hand, the company were awarded the national award of Best Business in Labour Relations and Welfare in 2015 and 2016 by the Department of Labour Protection and Welfare, Ministry of Labour.

Employee Development Policy

The company understands the importance of capability and competency improvement for employees and believes that employees are a key part of the business that contributes to the advancement and continuous improvement of the business goals and plans. Therefore, the company focuses on human resource management policy, especially on the aspect of employee development, in order to improve employees' skills and abilities to adapt to the digital disruption era, retain quality employees while maintaining the perception that they are part of the company. Employee development is not limited to classroom activities. Other learning activities are included at a ratio of 70-20-10 (70% hands-on learning from actual tasks, 20% learning from working environment, coaching and mentoring, 10% classroom and workshop training sessions)

2019 Employee Development Plan

The company organizes internal training sessions appropriate for the business in order to improve employees' skills to enhance efficiency and adapt to business changes. The training sessions are divided into the following levels:

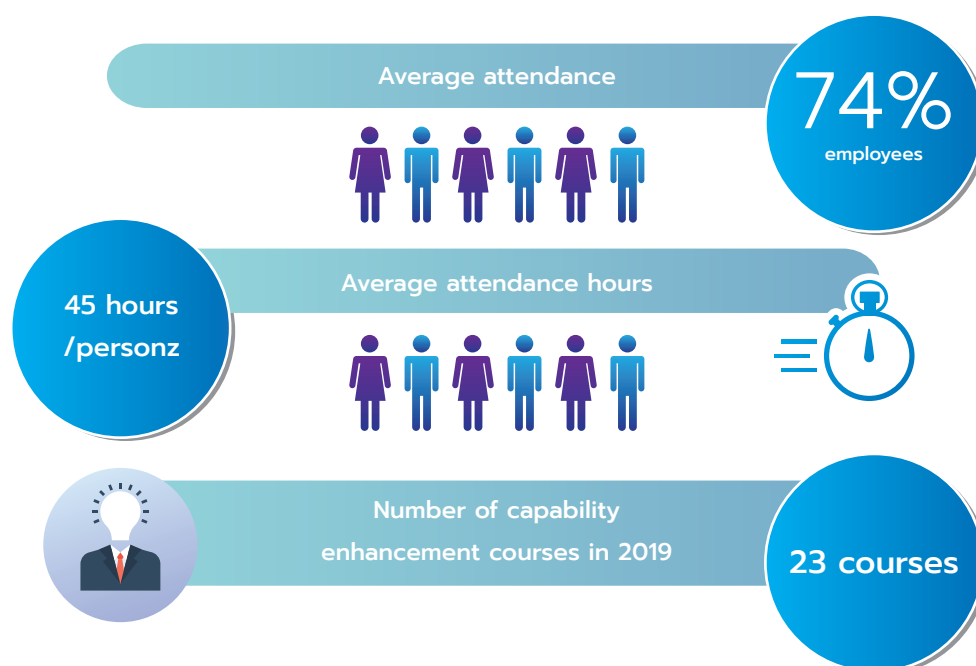
Executive level: Focuses on improving executives' understanding and capability regarding organization management that corresponds with the vision, strategies and administration, in order for them to define the organization's strategies. It also includes courses on rules and regulations for Stock Exchange-registered companies and domestic and abroad field trips to explore business opportunities.

Supervisory level: Improves supervisory employees' management skills such as strategic planning, to help them realize the organization's strategies and growth, assess the organization's capability against business competition and risk factors, and manage people and tasks. In addition, there is a leadership development course to drive the organizational goals towards success and prepare employees for role changes. The course focuses on and promotes adaptive leadership

Employee level: Focuses on enhancing employees' knowledge and understanding of their own functions and help them apply knowledge from the training sessions to improve performance. The courses focus on professional skills, for example, financial and non-financial courses, personality improvement and professional presentation course, the 5S course for increased productivity.

The 2019 courses received an average satisfaction level of 88%.

2019 Employee Development Outcome



The company gives priority to the safety of all employees. Regular safety refreshment courses are provided in order to prevent accidents and protect employees' lives. Safety trainings include quarterly work safety refreshment course, fire-fighting and evacuation drill, training courses for building electricians and personnel working with electricity.

In addition, the company understands the importance of quality management standards. To ensure partner satisfaction, the company provides ISO 9001: Internal Auditor course to systematize and define the operations, improve team working and group working, improve the efficiency of organization management, administration, production and services and provided reliable products well-accepted in the domestic and international markets. This will elevate the working conditions and the organization itself towards international standards recognized by the global field.

Apart from capability enhancement courses for employees, the company also focuses on employees' livelihood. Courses related to the everyday life are offered, such as social security benefit and compensation fund course, breast and cervical cancer detection course for female employees.

Anti-Corruption Policy

The company is committed to operate business with honesty, transparency and good governance. All forms of bribery and corruption are prohibited. The company completely understands that of bribery and corruption are threats that will destroy free and fair competition and economic and social development. The Board of Directors understands the impact and has established anti-corruption policy as a guideline for executives and employees and prohibits the company, including the directors, executives, employees and relevant persons, from violating anti-corruption laws. The company has adopted the procedures and principles stated in the anti-corruption policy, which cover several operations. In addition, the company communicates the anti-corruption policy to its subsidiaries, joint ventures, companies under control, business partners and stakeholders, as well as the public, through various channels such as e-mail, website, social intranet, the Board of Directors meetings and internal trainings, to emphasize the significance of the anti-corruption policy.

2nd Quality Internship Program



In addition to internal employee development, the company organized 2nd Quality Internship Program for students of all disciplines and institutes to participate in an internship program. 28 students from leading universities in the country were selected to become part of the organization for two months. During the program, the students could learn from real experiences and prepare for their future career life. Their creativity and capability would be improved and they would be familiar with the concepts of innovation and corporate governance in order to become a good and skilled resource in the future.

SCN Leadership Program

This program is part of the leadership development strategy. It focused on internal development for qualified and high-potential employees, who will be the key to success. This project allows outstanding employees to shine and improve themselves, as well as builds confidence among new leaders to drive the organization towards success. The recruitment and selection processes are systematic, including an admission test. Two employees are chosen, and they will be given a personal development plan and participating in a personal development program to prepare themselves for more challenging tasks and improve their professional capabilities.

Provident Fund for Employees

The company gives precedence to employee benefits, which bring them a better livelihood in the long term. The company has been providing provident fund for employees with Kasikorn Bank Asset Management Company Limited since 27 December 2012. Employees who passed the probation period are allowed to join the provident fund program; whose details are as follows:

Provident fund (based on years of employment)	 Employee (percent)	 Employer (percent)
0-3 years	2.00	2.00
more than 3 but not exceeding 6 years	3.00	3.00
more than 6 but not exceeding 9 years	4.00	4.00
more than 9 years	5	5

Safety and Hygiene Policy

The company has a policy on safety, hygiene and work environment, as well as safety regulations. They are reviewed and communicated to employees annually for their compliance. As a result, the company has had very low to none accident and injury-related suspension statistics.

Accident and Injury-Related Suspension Statistics

	2016	2017	2018	2019
Number of accidents	8	2	1	5
- Suspension	7	0	1	1
- Minor	1	2	0	4

II Anti-Corruption Polic

Scan Inter Public Company Limited and its subsidiaries ("Company") aims to conduct its business with honesty, transparency and responsibility for the society and all stakeholders in accordance with the corporate governance principle. The company is aware of the impact of corruption which will hinder economic and social development and has signed up to participate in the Private Sector Collective Action Coalition Against Corruption (CAC) since July 2017. The certificate of membership was awarded to the Company on 21 November 2017.

The Company's Anti-Corruption Policy, roles and responsibilities and practices are as follows:

Definitions

"Company" means Scan Inter Public Company Limited and its subsidiaries under control.

"Company Personnel" means the board of directors, management and employees of Scan Inter Public Company Limited, its subsidiaries and affiliates.

"Business Partners" means any company, partnership, vendor, seller and party related to the Company's business.

"Government agency" means ministries, bureaus, departments or any government divisions equivalent to departments, regional and local divisions, and state enterprises established under an act or a royal decree, including other government agencies established as government agencies under a royal decree.

"Private agency" means agencies and organizations that are not under the government or not a partnership with the government.

"Corruption" means wrongfully leveraging one's authority or position, unlawfully utilizing the organization's asset, defrauding, swindling, conflict of interest, window dressing or unlawful alteration or falsification of any document, and all forms of bribes including inappropriately offering, promising, giving, demanding or receiving money, asset or interest from government officials, authorities, private organizations or its employees who conduct business with the Company both domestically and internationally, whether directly or indirectly, in order to acquire unlawful interest for himself, the organization or any relevant party.

"Political Contributions" means financial or any other in-kind support and/or encouragement given to employees to participate in political activities to support any political party, politician, person involved in the politics or political movement group on behalf of the Company, whether directly or indirectly, that could lead to disharmony within the Company or the nation or could bring about any unlawful privilege, interest or business advantage. However, this does not apply if employees participate in such activities in their own will.

"Donation" means money or articles given to any foundation, public organization, temple, hospital, academic institution or social organization with an intention for the public to benefit from the donation and without any expectation for return or interest from the organization receiving the help.

"Sponsorship" means money paid or received from customer, business partner with a reasonable cause to enhance the business, trademark or reputation of the Company and is beneficial for the Company's reliability, business relations and suitable for the occasion.

II Anti-Corruption Policy

Principles

The Company prohibits all forms of corruption committed by directors, management, employees and relevant third parties, whether by offering, promising, requesting, demanding, giving and receiving bribes or acting in a seemingly corrupted manner, directly or indirectly. This applies to all business and transactions and every relevant organization in every country. All directors, management, employees, and third parties relevant to the Company, its subsidiaries and companies under its control must comply with this policy.

Policy Scope

The policy is applicable to company personnel and related third parties. This policy is established to serve as a guideline for appropriate actions and to inform of contact persons in case of doubt. It is the company personnel's responsibility to maintain the best business standard. Incompliance with this policy may be considered a serious disciplinary issue, a breach of contract and a crime. It may cause a great damage to the Company's reputation and status. The Company has established a guideline, measure, roles and duties of the responsible person and regular reviews of this Anti-Corruption policy to correspond with business changes, regulations and legal clauses.

Policy Scope

Company personnel and relevant third parties must comply with the Anti-Corruption policy and must not commit or take part in any form of corruption, whether directly or indirectly and for the interest of themselves, family, friends, any other person or relevant public or private organization. They shall strictly adhere to the policy.

1. Company personnel shall not demand or receive any interest, money or asset that might cause unlawful performance or omission of one's performance of duties or damage to the Company.
2. Company personnel shall not offer any benefit, money or asset to third parties, government officials or other organizations to cause unlawful performance or omission of one's performance of duties or an illegal act.
3. Apart from compliance with the Anti-Corruption policy, company personnel shall follow the Company's regulations, code of conduct, practices and other relevant laws.
4. Do not ignore or neglect any potential corrupted act that could be relevant to the Company. Company personnel shall report the situation to the supervisor or responsible person and cooperate in the investigation.
5. Any corrupted act will be considered malignant. The person will be treated according to the company's regulations or the law.

Roles and Responsibilities

1. Board of Directors: is in charge of drafting policies and maintain an effective Anti-Corruption support system in order to ensure that the Board realizes and emphasizes on Anti-Corruption measures and indoctrinate the concept until it becomes an organizational culture.
2. Audit Committee: is in charge of ruling out Anti-Corruption measures and auditing financial and accounting reporting systems, internal control systems, internal audit systems and risk management system for risks related to corruption to ensure that the Company's operations are carried out in a secure, appropriate, up-to-date and efficient manner compliant with acceptable standards. It is also in charge of general complaints and corruption reports, internally and externally as applicable, and verifying the facts and reporting to the Board of Directors for punishment or corrective action in respect with the Anti-Corruption policy.
3. Risk Management Committee: is in charge of policy and overall risk management practice screening, including major risks such as financial risks, investment risks, business risks and corruption risk. It is also in charge of evaluating, following up and reviewing whether the risk management policy and system are sufficient, along with the efficiency of the system and policy compliance, and reporting to the Board of Directors for approval.
4. Executive Committee Managing Director and Management Division: are in charge of drafting systems, supporting the application of the Anti-Corruption policy and communicating the policy to employees and all related parties. They are also in charge of revising the appropriateness of systems and measures to accommodate business changes, orders, regulations and legal clauses.

5. Nomination, Remuneration and Corporate Governance Committee: promotes and complies with the anti-corruption guideline, reviews the appropriateness of the policy and the guideline and ensure they correspond with the changes in the business situation, policy, regulations, announcements, rules and legislation.
6. Internal Audit Department: is in charge of auditing and checking operations to ensure they are correct and in accordance with the policies, guidelines, executive authority, orders, legal clauses and terms of regulating authorities to ensure that the control system is appropriate and sufficient for any corruption risk and reporting to the Audit Committee.

Revision of the Anti-Corruption Policy

The Company revises its Anti-Corruption policy and references every two years or when a significant change occurs.

Scan Inter Public Company Limited Board of Directors understands the importance of corporate governance and the negative effects of corruption. An internal control measure regarding rejection of bribery from government officials, business partners and stakeholders is in place to govern activities that could potentially lead to corruption, in order to build trust in the company among all stakeholders.

Offering and Accepting Gifts, Reception, and Expense Coverages

Policy

1. Company personnel shall not offer or accept any form of gifts to/from the Company's business partners or relevant parties from public or private organizations in a manner that can be considered bribery. Exceptions can be made when the gift or reception is arrange in respect with the tradition or for the purpose of maintaining the relationship between the Company and the party without expecting any inappropriate service, compensation or privilege that does not align with the business ethics.
2. Company personnel shall not offer or accept any gift, present or any other benefit that may influence another party's decision or cause omission of one's performance of duties and operations as stated in the Company's regulations, ethics, practices and laws.
3. The Company has no policy to offer any form of money, incentive, present or benefit to its clients or business partners, external parties or person to acquire a business deal. Exceptions include traditional business receptions, commercial discounts and promotions.
4. Management and employees shall emphasize on having an internal system that is up to international professional standards to ensure that the procedures and results are correct and transparent.
5. Offering or accepting gifts or reception shall follow the conventional practices and tradition: not too frequent, appropriate, the value of the gift should not exceed 3,000 baht and it must not violate the Company's regulations and ethics, rules, practices and relevant laws.

Guideline

1. Offers of gifts or any benefit

- 1.1 Offers of gifts to business partners or other relevant organizations is meant to maintain good relationship and follow the tradition. It must not be too often and not with anticipation for unethical services, reward or privilege.
- 1.2 No gift, memento, asset or any benefit shall be offered to the spouse, child or person related to any government officer, client, business partner and contact person. Such behavior is considered an offer to a representative.

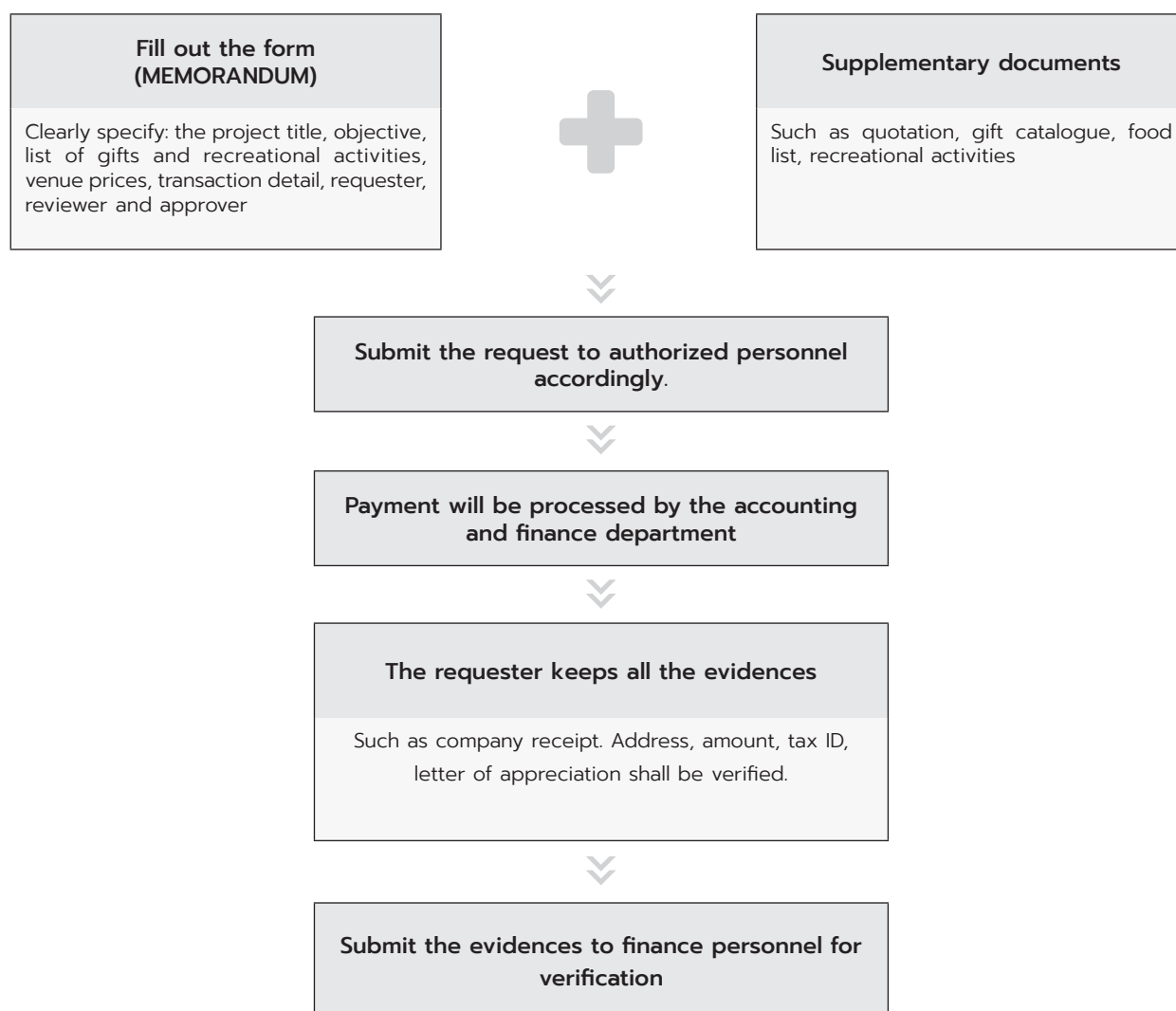
- 1.3 All gifts offered to business partners and relevant organizations shall be of the same standard to avoid discrimination. Gifts could be something that promote the Company's image such as pens, calendars, diary books and the value shall not exceed 3,000 baht (as per the National Anti-Corruption Commission's announcement on the 2000 Guideline for Ethically Accepting Asset for Government Officers).
- 1.4 If the value of the gift exceeds 3,000 baht, an explicit approval request is required. Details of the gift, name of the organization to be offered the gift, amount, price or value of the gift shall be specified. Supplementary documents, including quotation and picture of the gift, must be attached. The request must be submitted to authorized personnel according to Scan Inter Public Company Limited's authority table.
- 1.5 Prior to approving, the approver shall review the request with the objective, occasion and appropriate value of the gift taken into consideration.
- 1.6 The requester shall present proofs of the offer to finance and accounting personnel. Such proofs include receipt, letter of appreciation and other relevant documents. They must be presented to the authorized personnel for evidence.

2. Business Reception

Business reception services, including meals, recreational activities related to business practice or trade tradition, and business knowledge sharing, are allowed as long as they are reasonable and do not affect the decision-making or cause performance omission or induce a conflict of interest.

- 2.1 The requester shall provide an explicit request for approval, specifying all details, objectives, venue, organizations to receive the services, with supplementary documents, such as quotation, attached, for the approval of authorized personnel accordingly for the budget and authority stated in Scan Inter Public Company Limited's authority table.
- 2.2 Prior to approving, the approver shall review the request with the objective, occasion and appropriate value of the reception taken into consideration.
- 2.3 The requester shall present proofs of the offer to finance and accounting personnel. Such proofs include receipt, letter of appreciation and other relevant documents. They must be presented to the authorized personnel for evidence.

Chart 1: Approval request procedure for gifts and reception, sponsorship, and donation

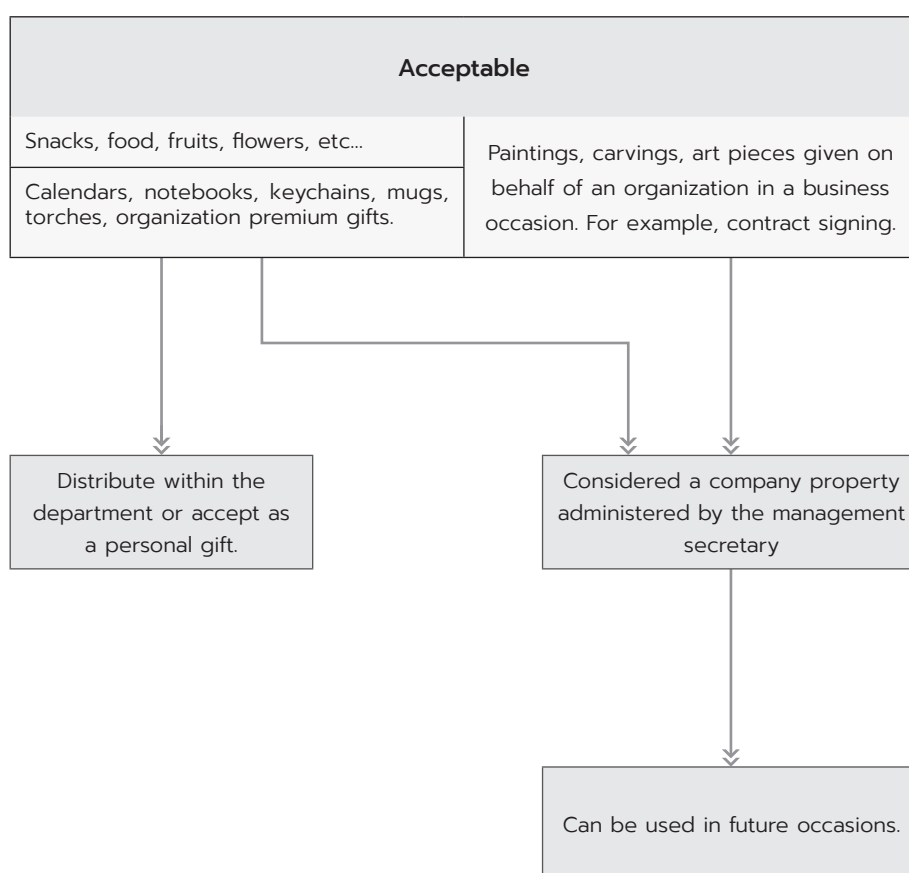


3. Acceptance of gifts or any benefit

- 3.1 The Company's policy prohibits acceptance of gifts, presents, mementos or any other benefit from business partners and other relevant parties or contact persons in all cases. Exception is made when the gift is personally given and does not affect any decision or cause omission of performance of one's duties.
- 3.2 In case it is necessary to accept gifts, each function should assign a responsible person to collect the gifts and follow this guideline:
- 3.2.1 No acceptance of cash or cash equivalent
 - 3.2.2 The gift must not be an illegal item
 - 3.2.3 In case the gift is edible, it is up to the discretion of the supervisor of the function to manage the gift. The gift may be distributed within the department or with other departments.
 - 3.2.4 In case the gift is a calendar or diary book made for company advertisement, it may be accepted as a personal gift.

- 3.2.5 In case the gift or memento is given and accepted in the organizational level, the gift is deemed the Company's property and shall be transferred to the central administration – the management secretary—for future use.
- 3.2.6 If the gift is claimed for another occasion, the requester must have a written memorandum clearly specifying the objective and the gift to be used. And the request must be approved by the management division or director.

Chart 2: Acceptance of gifts from external parties



Political Support

Policy

1. The Company has a neutral business policy, without any political bias towards any politician or political party. The Company believes in its political neutrality and encourages compliance to the law and democracy. The Company has no policy that supports any activity of any political party or politician.
2. The Company does not support, financially or by providing any item, any political party or politician in exchange for unlawful privilege or benefit, whether directly or indirectly.
3. The Board of Directors, management, and employees of all levels may participate in political activities in respect with their own personal freedom, but they have no rights to take advantage of their position in the company or use the Company's asset, equipment and tool to support political activities.

Guideline

1. No expression should be made to suggest that the Company is related to, interested in, or supporting any political procedure.
2. When participating in a political activity, company personnel shall not dress in the uniform or wear any symbol that represents the employment with the Company.
3. Company personnel shall not use their position in the Company to gain trust in order to express political ideas.
4. Refrain from showing or expressing political opinions which might cause conflicts in the workplace or during working hours.

Donation

Policy

1. In order for a donation to be made on behalf of the Company, the receiver must be a certified, reliable and verifiable foundation, public organization, temple, hospital, academic institution or social organization. It must be provable that the charity cause exists and is carried out solely to achieve the project's objective and provide benefits to the society.
2. The aforementioned donation must not be related to any mutual interest between personnel, parties or groups except for regular honorary mention.
3. The Company has a clear approval verification process. In order to request for support for any project or organization, a written request must be made, in which the objective, organization receiving the donation, donated amount, and payment method are clearly specified. It must be approved by the management according to the authority.
4. A receipt or a clear evidence in compliance with the company regulations must be presented to ensure that the donation is not a disguise for corruption.

Guideline

Corporate social responsibilities (CSR) support and donation done on behalf of the Company to public and private organizations are intended to help the society without anticipation for commercial interest or any reward. Such support and donation shall be conducted in the following manner:

1. A written request for approval specifying the details of the supported activity or donation, objective and support or donated amount must be made. The requester shall review to ensure that the activity exists and truly aims to help the society. The organization or foundation should be verifiable.
2. The request must be approved by the management division, president, managing director, chairman of the Executive Committee, the Executive Committee and the Board of Directors according to the budget and approval authority stated in Scan Inter Public Company Limited's authority table.

3. The requester shall gather all documents and evidence for the corporate social responsibilities support (CSR) or the donation, including a letter of appreciation, donation receipt or receipt for payment. The evidence shall be presented to finance and accounting personnel for verification.
4. In case that support is for a public activity, organization or agency, it is prohibited to support any political activity on behalf on the Company. The Company does not have any policy to support any political party or politician's activity.

Financial Support

Policy

1. Any financial support on behalf of the Company given to any project with an intention to enhance the Company's business, trademark, image and reputation must be proven that the requestor really arrange the activities according to the project. And such activities aims to achieve the project's activities and are truly beneficial to the society.
2. The aforementioned financial support must not be related to any mutual interest between personnel, organizations or groups.
3. The Company has a clear approval verification process. In order to request for support for any project or organization, a written request must be made, in which the objective, organization receiving the donation, donated amount, and payment method are clearly specified. It must be approved by the management according to the authority.
4. A receipt or a clear evidence in compliance with the company regulations must be presented to ensure that the donation is not a disguise for corruption.

Guideline

Financial support to any project with the intention of advertising, promoting, enhancing the Company's business and commercial image, promoting the trademark, promoting sales and the Company's reputation without anticipation for any interest or a hidden cause that can be considered corruption or persuade the receiver to commit an unlawful act in his/her duties, shall be conducted in the following manner:

1. A written request for approval specifying the details of the supported project, objective and donated amount must be made. The requester shall review to ensure that the activity exists and truly aims to help the society. The organization or foundation should be verifiable.
2. The request must be approved by the management division, managing director, chairman of the Executive Committee, the Executive Committee and the Board of Directors according to the budget and approval authority stated in Scan Inter Public Company Limited's authority table.
3. The requester shall gather all documents and evidence for the support, including a letter of appreciation and receipt for payment. The evidence shall be presented to finance and accounting personnel for verification.

Guideline for Treating Business-Related Persons

1. The Company informs its subsidiaries, joint ventures and companies under its control to adopt the Anti-Corruption guideline.
2. The Company shall arrange fair and transparent procurement of products and services and evaluate and select vendors, service providers and contractors according to the Procurement Regulation. The Company shall inform vendors, service providers and contractors of this Anti-Corruption policy and measure.
3. The Company reserve all rights to cancel the procurement and recruitment if the vendor, service provider or contractor is found to be commit any act of corruption or bribery.

4. The Company shall arrange a verification process for systems, sales and marketing procedures, and procurement. Contracts should always be maintained. The risk of corruption should be evaluated in order to manage or correct accordingly.

Human Resource Management Guideline

1. The Company has established a human resource management process, starting from recruitment, selection, promotion, training, performance evaluation and compensation. Management of all levels are required to communicate with employees regarding the Anti-Corruption policy and measure in order to apply to business-related activities and ensure efficient operations.
2. The Company has arranged orientation for new employees to educate them about the Anti-Corruption guideline, the Company's expectation and applicable punishment if the measure is not honored.
3. The Company arranges regular training sessions for the committee, management and employees to create a true understanding on the Anti-Corruption measure, the Company's expectation and applicable punishment if the measure is not honored.
4. The company has a fair human resource management process that protects employees who report corruption related to the Company. The reporter will not be relegated, punished or put through any adverse consequence although the Company will lose a business opportunity. The Company has arranged a reporting channel and a procedure to protect the reporter when an employee needs to report or receive advices on following the Anti-Corruption measure.

Internal and External Policy Communication

1. The Company recognizes the importance of communicating, educating and developing understanding with personnel whose duties are related to the Company or might affect the Company, including the public, on matters that should comply with the Anti-Corruption policy.
2. The Company communicates information related to the Anti-Corruption policy and measure through its communication channels such as website, email, annual report (56-1 and 56-2), pamphlets, circular notice, announcement board, etc...
3. The Company arranges orientation, training and seminar regarding the Anti-Corruption policy for all employees to understand and implement the policy.

In Case of Doubt on the Policy and Guideline

The Company assigns the responsibility to the human resources department to respond to questions regarding the Anti-Corruption policy. When company personnel are in doubt or in need of advices to avoid corruption-related actions, they can receive advices from the human resources department or responsible personnel.

If company personnel are unsure if an action is considered a breach of the Anti-Corruption Policy, the following checklist should be applied:

Ask yourself...

- If the action is illegal, if so, "stop".
- If the action is in conflict with the Company's policy, if so, "stop".
- If the action is contradictory to the Company's value or culture, if so, "stop".
- If the action will have an adverse effect to the Company's image, if so, "stop".
- If the action will negatively affect the Company's stakeholders, if so, "stop".
- If the action will provoke a bad practice in the future, if so, "stop".

Verification, Internal Control and Recording Process

1. In order to effectively implement the Anti-Corruption guideline, the quality control department has developed a register for risk of corruption. All functions are required to conduct a survey of risk of corruption from interactions with external parties, such as license renewal and procurement, and provide a written record in the register for risk of corruption form along with a control and administrative measure to prevent corruption.
2. Internal auditors review the register for risk of corruption and preventive measure of each department and develop an internal verification plan to verify the procedures of departments and make sure they are compliant with the predefined control measure. If any action does not correspond with the Anti-Corruption policy, the acting department must be notified in order to improve the control measure.
3. The Company has established a procedure to maintain documents and records ready for verification to ensure that the financial records and practices are correct and appropriate to be sure that no record is missing, inexplicable or untrue.
4. The Company has established a procedure to ensure that its internal control for accounting and data storage is internally audited to confirm the efficiency and compliance with the Anti-Corruption policy, and that there is sufficient evidence of financial records for audit purpose.
5. The Company has hired internal auditors from an external party to audit the compliance with the internal control system and suggest a corrective guideline to amend and improve internal control. So that such control is efficient and capable of preventing and detecting any possible risk and cover the verification of compliance with the Anti-Corruption policy.
6. Internal auditors may report findings to the president, the Executive Committee, and the Audit Committee immediately for further reporting to the Board of Directors.
7. The Company shall verify and review the Anti-Corruption policy and measure annually to comply with the changing of the business operations, rules, principles, and legal provisions.

Whistle Blowing Policy towards Corruption

Scan Inter Public Company Limited ("Company") has established a channel for complaining and whistleblowing, covering complaint reception, verification and conclusion, and protection for the informer and relevant personnel, in order to receive complaints and opinions and suggestions from stakeholders who are affected or will probably be affected by the Company's business or the performance of its committee, management and employees regarding illegal acts and behaviors that may suggest corruption.

Applicable Cases for Complaints and Whistleblowing

1. Any corrupted act directly or indirectly related to the organization, such as company personnel of fering or accepting bribe to or from government officers or public organization personnel.
2. Any action that does not follow the company code or that affects the Company's internal control system and may be a channel for dishonest or corrupted acts.
3. Any action that has an adverse effect on the Company's interest or reputation.
4. Any action that violated the laws or the Company's ethics and morals.

Investigation Process and Penalties

1. The investigation committee gathers the complaints, clues and evidences, investigate the facts and provides quarterly reports for the audit committee.
2. During the investigation process, the investigation committee shall inform the informer or whistleblower of the progress from time to time. Investigation and conclusion will be completed within 30 days and the timeframe can be extended for another 30 days.
3. If the investigation result suggests, with credible facts and evidences, that the accused person has committed an act of corruption, the accused person will have the rights to be notified of the accusation and present additional information or evidences to prove that he/she is not related to the act of corruption.
4. If the accused person has committed the act of corruption, he/she will be deemed guilty and must be penalized according to the specified rules. And if the act of corruption violates the law, the offender may receive some legal punishment as well. The disciplinary action in accordance with the company rules and the judgment of the chairman of the audit committee is final.
5. If any complaint, whistleblowing, clue, testimony or information is proven dishonest, the informer shall be subject to disciplinary action upon the discretion of the Board of Directors.
6. Complaints and investigation reports regarding corruption will be compiled and submitted to the audit committee quarterly.

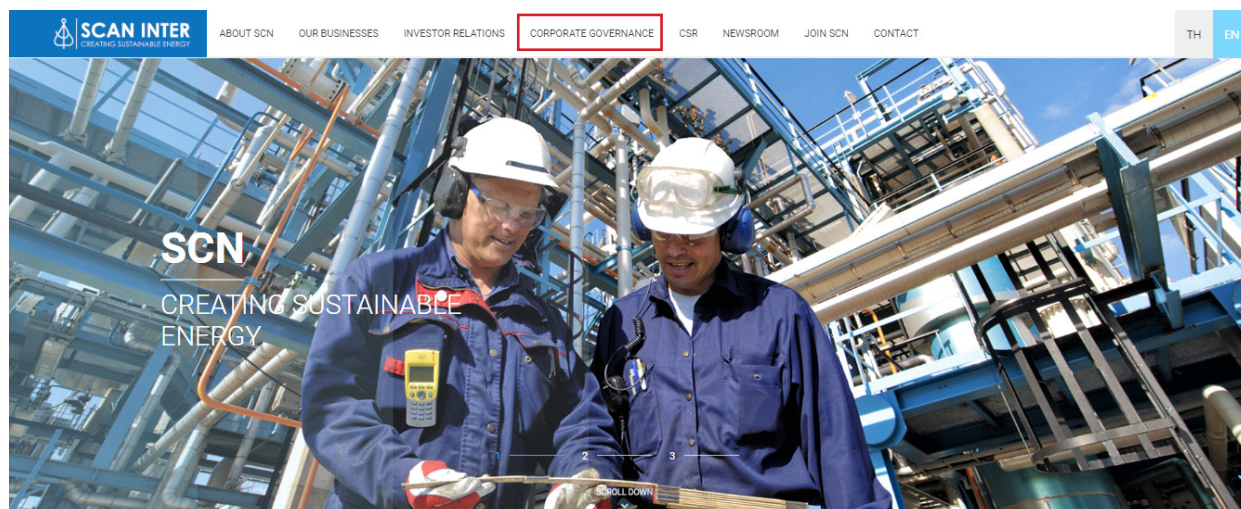
Channels for Whistleblowing or Complaints Regarding Corruption

The Board of Director has delegated the investigation committee to receive complaints and whistleblowing regarding suspected corruption whether directly or indirectly related to the Company through the channel specified in this policy. The informer must specify the details of the issue, clue or complaint and attach sufficient evidence or information for investigation purpose. The informer must also provide contact name, address and phone number and clearly specify that it is confidential through one of the following channels:

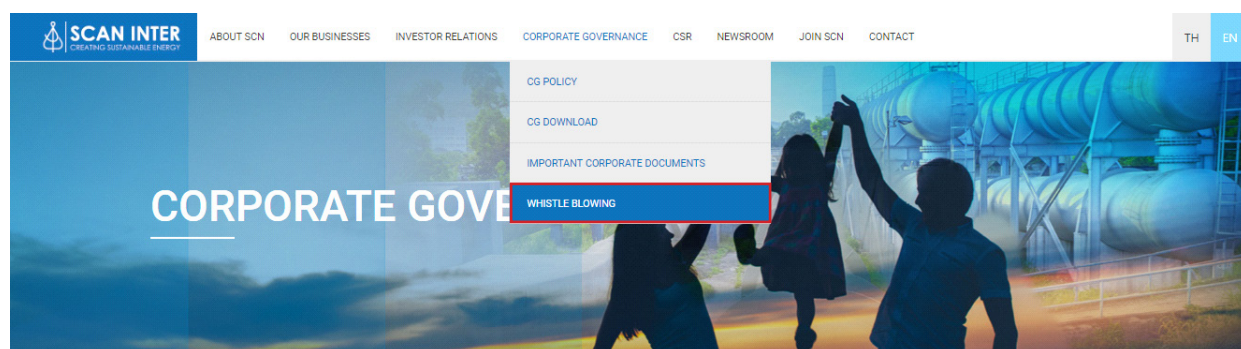
1. Mail : Chairman of the Audit Committee
Scan Inter Public Company Limited
355 Bond Street road Bangpood sub-district
Pakkret district Nonthaburi11120
2. E-mail : anticorruption@scan-inter.com
3. Telephone : 02-503-4116-21 or 02-921-9937-9
4. Website : www.scan-inter.com

How to Report Through our Website

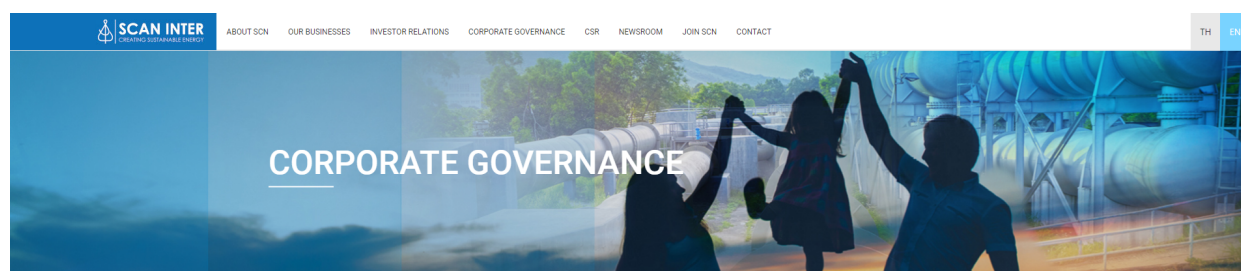
1. Go to “Corporate Governance” (to which the arrow points)



2. Select “Whistleblowing” (to which the arrow points)



3. The “Whistleblowing” section



Home > Corporate Governance > Whistle Blowing

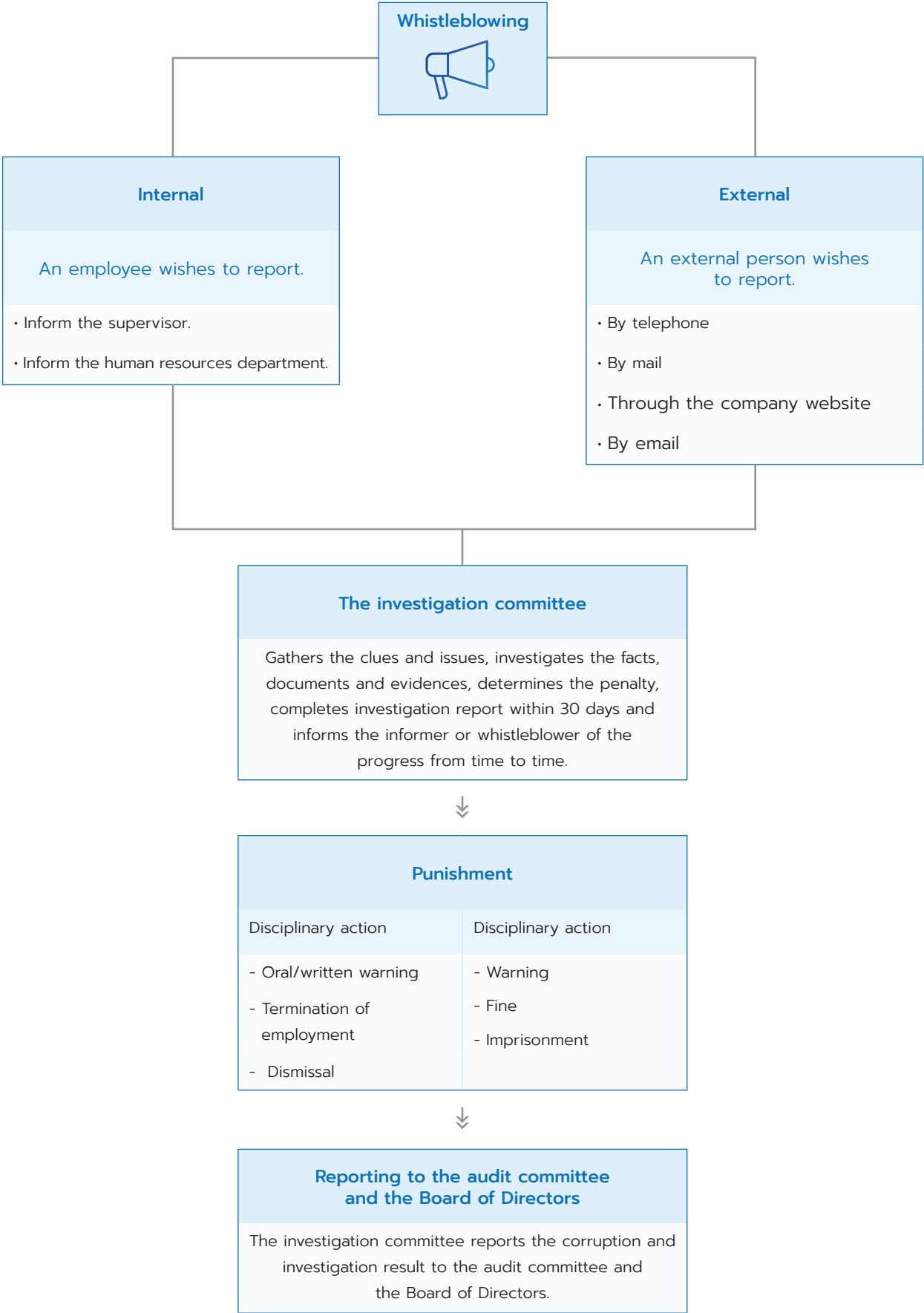
WHISTLE BLOWING

Firstname*	<input type="text"/>
Lastname*	<input type="text"/>
Email*	<input type="text"/>
Phone*	<input type="text"/>
Report Issue*	<input type="text"/>
Your inquiry / Comment*	<input type="text"/>

Attach file (Maximum file: 2MB. The .doc, .docx and .pdf are allowed.)

No file chosen

Chart 3: Whistleblowing, complaint receiving, investigation and punishment process



Protective Measure for Informers, Whistleblowers and Relevant Persons

To protect the rights of the whistleblower or informer, the Company will keep the name, address or any identification, along with information and identity of the whistleblower or informer confidential. They will be accessible to those who are directly responsible in the investigation. In the case the Board of Director is accused, the whistleblower, witness or information provider will be protected from any unfavorable consequence, harm and unfair treatment following the act of whistleblowing, complaining, witnessing or providing information. The information provider is requested to file the complaint directly to the chairman of the audit committee who will be in charge of protecting the whistleblower, informer or information provider from any unfavorable consequence, harm and unfair treatment following the act of whistleblowing, complaining, witnessing or providing information. The chairman of the audit committee president may delegate other executives to protect the whistleblower, informer, witness or information provider. However, the delegated executive must not be related to the issue whether directly or indirectly. The information receiver whose duty is related to complaints must keep all information, complaints and the whistleblower and information provider's evidences confidential and must not reveal the information to any unrelated person unless it is obligatory to do so according to the law.

Report of the Audit Committee

Dear shareholders,

Scan Inter Public Company Limited's Audit Committee consists of qualified and experienced independent members, as required by the Securities and Exchange Commission and the 2009 Stock Exchange of Thailand Announcement on the Qualifications and Scope of Work of the Audit Committee, with Mrs. Kannikar Ngamsopee as the chairman, Mr. Wichian Usanachote, Mr. Chamnan Wangtal and Air Chief Marshal Worachat Tareechat as members of the committee.

In 2019, the Audit Committee held seven meetings, of which the details are as follows:

List of Audit Committee members	Meetings attended/Total
Mrs. Kannikar Ngamsopee	7/7
Mr. Wichian Usanachote	7/7
Mr. Chamnan Wangtal	7/7
Air Chief Marshal Worachat Tareechat	7/7

The average Audit Committee overall attendance percentage is 100.

The Audit Committee had been performing tasks assigned by the Board of Directors independently in compliance with the Audit Committee Charter stated. The Committee focused on financial statement audit, corporate governance audit, risk management system and internal audit, stock and stock exchange law compliance audit within the scope of the Audit Committee's authority and responsibility, especially compliance with the Corporate Governance Code. In 2019, the Audit Committee addressed the following matters:

1. Audited and approved financial reports, quarterly financial statement and annual financial statement, with the auditors' opinions and suggestions into consideration to ensure compliance with valid accounting principles before presenting the audit results to the Board of Directors for approval.
2. Followed up and provided comments on the compliance with the Corporate Governance Code to ensure transparency and auditability, and to promote continuous corporate governance improvement process.
3. The Audit Committee audited important information disclosure, connected transactions and related party transactions that may involve conflict of interest to ensure that the company has proceeded with normal business conditions and complied with the stock and stock exchange law.
4. Performed audit to ensure the company's internal control and internal audit systems are appropriate, transparent, and efficient. The performance of Dharmniti Internal Audit Company Limited, who served as the company's internal auditor in 2019, was monitored. Their performance was independent and efficient. They monitored and improve the company and subsidiaries' operations and provided opinions on internal control.
5. The Audit Committee held a meeting with the company auditors without the management division. The meeting was held in addition to the regular meetings.

6. Selected, appointed and nominated the auditor for 2020, KPMG Phoomchai Audit Company Limited.
7. Selected, appointed and nominated the internal auditor for 2020, Dharmniti Internal Audit Company Limited.
8. Review the Audit Committee Charter and ensured it corresponded with the SEC and the Stock Exchange's principles and regulations and the corporate governance policy, to gain confidence from shareholders, partners, clients and stakeholders, that the company's operations were in compliance with the regulations and that the company adhered to the appropriate code of conduct and maintained an efficient internal control system.

The Audit Committee monitored the operations in 2019 as per the duties and responsibilities assigned, with knowledge, competency, care and independence, and gave priority to the transparency and appropriateness of the internal control system. No significant issue that could affect the internal control efficiency and risk management was discovered. The Audit Committee agreed that the information disclosure in the financial reports was adequate and in compliance with widely-accepted accounting principles and relevant business laws. No significant issue that could affect the internal control efficiency and risk management was discovered. The findings have been reported to the Board of Directors.



(Mrs. Kannikar Ngamsopee)
Chairman of the Audit Committee
12 March 2020

Report of the Nomination and Remuneration and Corporate Governance Committee

Dear shareholders,

Scan Inter Public Company Limited Board of Directors has established the Nomination and Remuneration and Corporate Governance Committee, with Mrs. Kannikar Ngamsopee as the chairman, Mr. Wichian Usanachote and Mr. Tanchart Kitpipit as members of the committee.

In 2019, the Nomination and Remuneration and Corporate Governance Committee held two meetings, of which the details are as follows:

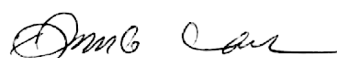
List of committee members	Meetings attended/Total
Mrs. Kannikar Ngamsopee	2/2
Mr. Wichian Usanachote	2/2
Mr. Tanchart Kitpipit	2/2

The average the Nomination and Remuneration and Corporate Governance Committee attendance percentage is 100.

The Nomination and Remuneration and Corporate Governance Committee performed duties assigned by the Board of Directors, in monitoring the operations under the corporate governance plan, nomination and remuneration plan for directors and executives, with the following key points:

1. Provided shareholders an opportunity to propose an agenda to nominate directors and submit questions for the shareholders' meeting in advance since 30 December 2019.
2. Nominated two independent directors for shareholders' authority in the general meetings.
3. Monitored whistleblowing reports and complaints through the complaint channel.
4. Revised the corporate governance policy to align with the Office of the Securities and Exchange Commission's corporate governance principles for registered companies.
5. Nominated directors to replace ones whose term terminated based on knowledge, competency, experience, career experience, leadership, vision, ethics and morality, attitude towards the organization, time dedication and benefits the company could expect to receive. In addition, board diversity, skill matrix and corresponding qualifications with the strategic board structure were considered.
6. The remuneration for the Board of Directors and the chief executive officers were based on the appropriateness to the responsibilities, performance, operational outcomes and other registered companies in a similar industry. Said remuneration was sufficient to motivate the directors and executives to deliver quality work and achieve the company's direction and goals.

The Nomination and Remuneration and Corporate Governance Committee performed the duties independently and in compliance with corporate governance principles to ensure the nomination and remuneration and corporate governance are transparent and build trust among shareholders and all stakeholders.



(Mrs. Kannikar Ngamsopee)

Chairman of the Nomination and Remuneration and Corporate
12 March 2020

Report of the Risk Management Committee

Dear shareholders,

Scan Inter Public Company Limited Board of Directors gives priority to corporate governance, especially risk management. The Board of Directors has established the Risk Management Committee, with Mr. Chamnan Wangtal as the chairman, Mr. Wichian Usanachote, Air Chief Marshal Worachat Tareechat, Dr. Rittee Kitpipit and Ms. Narisara Kitpipit as members of the committee.

In 2019, the Risk Management Committee held seven meetings, of which the details are as follows:

List of committee members	Meetings attended/Total
Mr. Chamnan Wangtal	7/7
Mrs. Kannikar Ngamsopee	7/7
Mr. Wichian Usanachote	7/7
Air Chief Marshal Worachat Tareechat	7/7
Dr. Rittee Kitpipit	7/7
Ms. Narisara Kitpipit*	5/7

Note: *maternity leave

The average the Risk Management Committee attendance percentage is 95.

The Risk Management Committee performed duties assigned by the Board of Directors to ensure efficient and appropriate management of uncertainties with potential to affect the company's operations, with the following key points:

1. Govern and review the company's policies and risk management, covering important risks in terms of strategies, operations, finance, investment, business operation, corruption and risk to the organization's image, which might occur given the rapidly changing business situation due to internal and external factors such as safety, environmental impact, legislation. In 2019, the Risk Management Committee identified and developed a risk management plan together with the strategic plan. The Committee suggested to be alerted of cyber security risks which might affect the operations.
2. Provided recommendations regarding the company's investment in new projects, including domestic and international investment project risk management such as the solar power plant in Minbu, Myanmar and other investment projects of Scan Advanced Power Company Limited. The Committee took into account the major factors and predicted the business trend that might affect new businesses both in the short and long terms in order to reduce investment risks. Significant investment projects must include risk management plans for various aspects for the Risk Management Committee's agreement, before proposed to the Board of Directors for approval. This is to build confidence that the business has an appropriate risk management plan that will not affect the operations, with potential to achieve the goals.
3. The Committee established a working team to monitor and regularly report the risk management and operation governance outcome and risk management measure compliance.

The Risk Management Committee is determined to maintain appropriate level of risk management and governance to ensure organization-wide effective operations and goal achievement.



(Mr. Chamnan Wangtal)
Chairman of the Risk Management Committee
12 March 2020

The image features a dark background with out-of-focus bokeh lights in red, white, and blue. In the lower half, a laptop screen is visible, showing a financial candlestick chart. A semi-transparent blue rectangular overlay is positioned across the middle of the screen, containing the text 'FINANCIAL INFORMATION' in white, bold, sans-serif capital letters. Below the text is a thin white horizontal line that ends in two small white squares.

FINANCIAL INFORMATION

Report of the BOD's Responsibility to the Financial Statements

Scan Inter Public Company Limited Board of Directors has prepared financial statements to inform of the company's financial status and performance under the Public Company Act B.E. 2535, the Accounting Act B.E. 2543 and the Securities and Stock Exchange Act B.E. 2535, as well as the Thai Capital Market Supervisory Board Announcement on the Principles, Conditions and Methods of Information Disclosure Regarding the Security-issuing Company's Financial Status and Performance.

The Board of Directors understands the duties and responsibilities, as a registered company committee, for the financial statements, the separate financial statements and the consolidated financial statement of the company and subsidiaries, as well as finance information appearing in the Scan Inter Public Company Limited Annual Report for the 2019 financial statements. Said financial statements were prepared according to the widely-accepted accounting standards, appropriate policy and regular compliance. The Board has applied thorough and reasonable discretion in the preparation of the financial statements to demonstrate the company's financial status, past performance and cash flow statement with accuracy and transparency, including explanation, analysis and adequate important information disclosure in the notes to the financial statements for the interest of shareholders and investors.

In addition, the Board of Directors has arranged internal control and risk management systems, internal audit and corporate governance to ensure accurate, complete and adequate accounting data for the protection of the company asset, weak point identification and corruption and significant abnormal act prevention.

The Board of Directors has established the Audit Committee, which consists of independent directors, to take care of financial report and internal control system audit. The Audit Committee's opinion on the subject is presented in the Audit Committee Report, included in this annual report.

The Board of Directors agrees that the company's internal control and risk management systems are sufficient and reliable that the 2019 separate financial statements and consolidated financial statement of the company and subsidiaries are reliable and valid as per common accounting principles and relevant laws and regulations.

12 March 2020

On behalf of Scan Inter Public Company Limited
Board of Directors



(Dr. Tanong Pittaya)
Chairman of the Committee



(Dr. Rittee Kitpipit)
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Scan Inter Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Scan Inter Public Company Limited and its subsidiaries (the "Group") and of Scan Inter Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Impairment testing of goodwill and investment in subsidiaries, associate and joint venture

Refer to Note 11, 13 and 16 to the financial statements.

The key audit matter	How the matter was addressed in my audit
<p>The Group consistently considered impairment testing of goodwill, and considered impairment testing of investment in subsidiaries, associate and joint venture when there is an indicator which all mainly affected by market situation. This required management's judgement. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none">• Understanding the impairment testing process of the management including estimated future cash flow and key assumptions used;• Testing key assumptions that underpin management's discounted cash flows with reference to market situations and its operating environment, my knowledge of the industry, and other obtained information;• Consideration of the forecasting of financial performances by comparing historical estimation to the actual operating results and;• Consideration of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

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

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

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

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

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

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

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

(Dussanee Yimsuwan)
Certified Public Accountant
Registration No. 10235

KPMG Phoomchai Audit Ltd.
Bangkok
17 February 2020

Management Discussion and Analysis

Management Discussion & Analysis
For the Financial Result for the Fiscal Year Ended December 31, 2019

Performance analysis

The consolidated and separate financial statements have been prepared in accordance with generally accepted accounting principles under the Accounting Act 2000, which means financial reporting standards issued under the Accounting Profession Act 2004 and the requirements of the Securities and Exchange Commission and stock exchange on the method of preparing and presenting financial reports under the Securities and Exchange Act, Consolidated Financial Statements and Separate Financial Statements was prepared using the original cost basis. In measuring the value of financial statements except 4 types of investments: 1. trading investments 2. held to maturities securities 3. available for sale 4. general investments depending on the investment objective so that the management will determine the appropriate classification and reviewing the classification periodically. The preparation of important financial reports. According to this report, it is a report based on the consolidated financial statements. Therefore, the term of “company” in this report means the company and its subsidiaries or group of companies.

KEY FINANCIAL HIGHLIGHT

Financial Highlight (million Baht)	2018	2019	% YoY
Revenue	3,121.3	2,972.3	(4.8%)
EBITDA	513.3	529.4	3.1%
Net Profit (Consolidated)	179.1	195.9	9.3%
Net Profit (Separate)	209.7	219.5	4.7%
EBITDA Margin (%)	16.4%	17.8%	
Net Profit Margin (%)	5.7%	6.6%	

Revenue

- For 2019, SCN's revenue from sales and services decreased by THB 149.0 million or -4.8%YoY.

Corresponding to a drop of delivered amount of NGV buses that is the key drivers of the revenue growth last year which delivered a total of 300 units and delivered the last batch of 189 units in 2019 affect the significant drop of revenue in this year. There are no significant drop in the gas-related business which is the company's core business.

Earnings before interest, taxes, depreciation and amortization. (EBITDA)

- For 2019, SCN's EBITDA increased by THB 16.1 million or 3.1%YoY to stand at THB 529.4 million compared to THB 513.3 million in 2018. Increase in EBITDA was driven by other income from the recognition of profit from disposal of assets related to Auto dealer business as well as recognition of profit from bargain purchase of shares recognized in Quarter 2 as well as the recognition of profit from investment in GEPT (Minbu solar power plant) in Quarter 4 which created the significant increase in EBITDA.

- **EBITDA margin for 2019 increased to 17.8% this year compared to 16.4% last year** due to a recognition of other income gain of profit arising from disposal of assets as well as share of gain from associates resulting both from gain on bargain purchase of GEPT shares in Quarter 1 and share of profit in Quarter 4. Profit that increases in high proportion disregard of the decrease in revenue resulted in a higher EBITDA margin of 17.8% for the year 2019.

Net Profit (Consolidated)

- **In 2019, net profit increased by THB 16.8 million or 9.3%YoY** from divestment of assets related with Auto dealer business reflecting in other income and share of profit in GEPT (Minbu solar project) so normalized net profit.
- **Net profit margin increased to 6.6% this year compared to 5.7% last year** due to a profit recognition from a disposal of dealership business and a share of profit from GEPT.

FINANCIAL PERFORMANCE

REVENUE STRUCTURE

Revenue Structure (million Baht)	2018	2019	% YoY
Gas-related	1,718.6	1,690.8	(1.6%)
Automotive	1,186.5	1,063.5	(10.4%)
Renewable Energy	57.5	59.5	3.4%
Logistic & Others	158.7	158.5	(0.1%)
Total Revenue	3,121.3	2,972.3	(4.8%)

Gas-related

- **Revenue from gas-related business decreased by THB 27.9 million or -1.6% YoY** as resulted from shifting the designing, manufacturing and installing of business related and NGV field (EPC & Maintenance) to the Company's core business unit as the company's direction. SCN also maintains its level of revenue by being market leader in iCNG while expecting future growth in new business, iLNG.

Automotive

- **Sales from automotive business declined 10.4% YoY in 2019** primarily due to the drop in volume of NGV buses delivered in 2019. In 2018, the company delivered a total of 300 NGV buses and following with 189 units of NGV buses as the last batch in 2019 resulted in a drop in revenue this year.

Renewable Energy

- **Electricity sales grew 3.4% YoY** resulted from efficient maintenance of solar cells system in both Solar PV Power Plant locations of the company capacity of 1.267 MW in Kalasin and 5.00 MW Solar PV Power Plant in Bang Phasi combined to 6.267 MW generating capacity of the company.

COST STRUCTURE

Cost Structure (million Baht)	2018	2019	% YoY
Gas-related	1,404.4	1,425.1	14.7%
Automotive	1,092.7	997.5	(8.7%)
Renewable Energy	21.1	21.5	1.8%
Logistic & Others	142.3	141.4	0.0%
Total Cost of Sales & Services	2,660.5	2,585.5	2.8%
Selling, General and Administrative	220.6	228.4	3.5%
Total Expense	2,881.1	2,813.9	(2.3%)
Depreciation & Amortization	218.1	210.1	(3.7%)

Gas-related

- **Cost in gas-related division increased by THB 20.70 million or 14.7% YoY** while revenue in gas-related decreased. The increase in cost resulted from the new oil and NGV gas station opening that have high operating cost.

Automotive

- **Automotive costs decreased by THB 95.2 million or -8.7% YoY** corresponding to the drop in volume of NGV buses that delivered the last batch of 189 units in 2019 compared with 300 units that delivered in 2018 resulted in significant drop of revenue of Automotive division for year 2019.

Renewable Energy

- **In 2019, cost of electricity increased by 1.8% YoY** due to higher standard of solar cells maintaining that make solar cells more efficient in generating electricity and also result in better generating of revenue and profit.

Selling, General and Administrative

- **SG&A increased by THB 7.8 million in 2019 or 3.5% YoY** partly due to loss in impairment for not continuing the NGV service station to the other company. Moreover, SCN continuously improve personnel and systems for long-term efficiency and in preparation for future growth opportunities.

NON-OPERATING ITEM

Cost Structure (million Baht)	2018	2018	% YoY
Non-operating income	62.3	147.5	136.6%
Share of gain/ (loss) from associates	(7.8)	16.1	305.2%
Gain (loss) on exchange rates	0.1	(2.7)	(4,150%)

Other Income

- **Other income increased 136.6% YoY to THB 85.2 million** due to the company disposing of assets, ownership, possessory right, utilization and other rights that are relevant to business assets of Mitsubishi Auto Dealership.

Share of gain of associates

- **Share of gain from associates of THB 16.1 million** due to the recognition of profit from bargain purchase of shares recognized in Quarter 2 as well as the recognition of profit from investment in GEPT (Minbu solar power plant) in Quarter 4.

Gain (Loss) on Exchange Rate

- **For 2019, SCN recognized a loss on exchange rate** primarily due to unrealized loss on exchange rate from trade receivables.

FINANCE COST AND TAX

Finance Cost and Tax (million Baht)	2018	2019	% YoY
Finance costs	89.4	88.8	(0.6%)
Gain / (Loss) from FX	0.1	(2.7)	(4,150%)
Tax Expense	26.2	34.6	31.9%

Finance costs

- **For 2019, finance costs slightly decreased by 0.6% YoY** primarily due to lower portion of interest-bearing debt of the company resulted from debt payback after successfully delivered remaining 189 buses from the total of 489 buses in this year.

Tax Expense

- **Tax on the profit for the period increased 31.9% YoY** in consistent with higher profit before income tax expense.

Financial statement analysis

1. Asset

As at the end of 2019, the company had total assets of THB 4,950.59 million, decreased by THB 1,087.55 million or 18.01 percent from the end of 2018 with details as follow:

1.1 Current Asset decreased to THB 1,082.13 million, decreased by THB 863.70 million or 44.39 percent from the end of 2018.

- **Cash and cash equivalent:** The cash and cash equivalent were THB 216.29 million, increased by 308.30 percent from THB 52.97 million in 2018 as a result of the dealership business disposal in December 2019.
- **Trade and other current receivables:** The trade and other current receivables were decreased from THB 691.23 million in 2018 to THB 354.27 million in 2019, decreased by THB 336.96 million or 48.75 percent. This was resulted from a decreasing in account receivables from 489 NGV buses project.

- **Short term loans to other parties:** The company did not record short-term loans to other parties in 2019 while the company had short-term loans to other parties of THB 488.03 million in 2018.
- **Inventories:** The company had inventories of THB 490.99 million, decreased by THB 201.26 million or 29.07 percent from THB 692.25 million in 2018. It indicated that the company has gained more efficient management and operation systems in 2019.

1.2 Non-current assets were THB 3,868.46 million, decreased by THB 223.85 million or 5.47 percent from THB 4,092.31 million in 2018, or 78.14 percent of total assets.

- **Property, plant and equipment:** The company had property, plant and equipment of THB 2,821.04 million and THB 2,512.17 million for the end of 2018 and 2019 respectively, decreased by THB 308.87 million or 10.95 percent, mainly due to a disposal of dealership business.

2. Sources of finance analysis

2.1 Liability

As at the end of 2019 and 2018, the company had total liabilities of THB 2,257.00 million and THB 3,422.24 million respectively, decreased by THB 1,165.24 million or 34.05 percent, mainly due to lower current liabilities from THB 2,453.59 million in 2018 to THB 1,247.61 million, decreased by THB 1,205.98 million or 49.15 percent. It was resulted from a repayment of current liabilities used in dealership business which was divested at the end of year 2019.

2.2 Shareholders' equity

As at the end of the 2019 and 2018, the shareholders' equity was THB 2,693.59 million and THB 2,615.90 million respectively, increased by THB 77.68 million or 2.97 percent which occurred from the net profit of THB 195.90 million in 2019 deducted the dividend paid from the resolution of the shareholders' approval on 22 April 2019 at THB 0.10 per share or THB 120.00 million in total.

3. Liquidity analysis

For the year ended 31st December 2019, the company had a net increase in cash of THB 163.32 million with the following details

3.1 Cash flow from operating activities

As at the end of 2019 and 2018, the company had cash flow from operating activities THB 700.09 million and THB 1,018.68 million respectively.

For the year ended 31st December 2019, the net cash flow from the company's operating activities was THB 700.09 million, due to the cash generated from net profit of THB 195.90 million, adjusted with non-cash items including depreciation and amortization of THB 210.11 million, financial cost of THB 88.79 million, interest income of THB 28.97 million, share of profit of associate of THB 16.08 million and a gain on disposal of property of THB 91.63 million. In addition, cash flow was decreased due to the changes in assets and liabilities from operating activities compared with 2018.

For the year ended 31st December 2018, the net cash flow from the company's operating activities was THB 1,018.68 million, due to the cash generated from net profit in amounted to THB 179.16 million, adjusted with non-cash items including depreciation and amortization of THB 218.56 million, a decrease in inventories of THB 685.32 million which mainly from raw materials used in the construction of the gas station for the subsidiaries. the improvement in the financial cost and interest income of THB 89.36 million and THB 43.23 million respectively. In addition, the increase of trade and other current receivables which resulted in a decrease of cash flow at THB 346.21 million but the cash flows from account receivable and other account payable turnover increased by THB 187.23 million.

3.2 Cash flow from investing activities

As at the end of 2019 and 2018, the company had cash flow from (used in) investing activities THB 616.17 million and THB (1,215.13) million respectively.

For the year ended 31st December 2019, net cash flow from investing activities was THB 616.17 million, due to a repayment of short-term loans to other party amounted to THB 518.48 million and disposals of property, plant and equipment of THB 303.61 million.

For the year ended 31st December 2018, net cash flow used in investing activities was THB 1,215.13 million as a result of an investing in stations of the subsidiaries, also an investing in the company's assets, factories and other equipment in the amounted to THB 552.86 million and short-term loans to related parties of THB 783.04 million.

3.3 Cash flow from financing activities

As at the end of 2019 and 2018, cash flow from (used in) financing activities were THB (1,152.95) million and THB 84.78 million respectively.

For the year ended 31st December 2019, net cash flow used in financing activities was THB 1,152.95 million. The financing cash inflow was mainly from short-term and long-term loans from financial institutions of THB 1,194.00 million and THB 400.00 million respectively. However, the company's short-term and long-term loans from financial institutions decreased by THB 2,250.92 million and THB 214.33 million respectively, mainly due to a repayment of promissory note which used in auto dealership business that was disposed in the end of 2019, as well as a repayment of liabilities under finance lease agreement, dividends payment, interest paid amounted to THB 69.53 million, THB 120 million, THB 89.49 million respectively.

For the year ended 31st December 2018, net cash flow from financing activities was THB 84.78 million. The financing cash inflow mainly from short-term and long-term loans from financial institutions THB 1,522.34 million and THB 358.01 million respectively. However, the company paid both short-term and long-term loans of THB 1,332.12 million and THB 178.09 million respectively, which the loan was mainly for supporting the liquidity of the project of 489 NGV air-conditioned buses as well as repaying for liabilities under finance lease agreement, dividends payment, interest paid amounted to THB 72.83 million, THB 120 million, THB 90.01 million respectively.

Scan Inter Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Notes	2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	5	216,287	52,972	160,327	35,246
Trade and other current receivables	4, 6, 7	354,271	691,232	663,030	989,098
Short-term loans to other joint operator	8	-	488,027	-	488,027
Short-term loans to related parties	4	-	-	188,173	179,693
Current portion of finance lease receivables	9	19,261	18,972	19,261	18,972
Inventories	10	490,992	692,252	477,966	678,638
Other current assets		1,319	2,379	-	569
Total current assets		1,082,130	1,945,834	1,508,757	2,390,243
Non-current assets					
Restricted bank account		3,900	3,900	-	-
Finance lease receivables	9	180,188	199,449	180,188	199,449
Investment in associate	11	350,214	233,508	346,788	244,207
Investments in subsidiaries	13	-	-	681,808	668,058
Investment in joint venture	11	25,280	-	-	-
Other non-current receivables	12	447,493	451,445	445,957	450,022
Investment properties	14	4,843	4,843	4,001	4,001
Property, plant and equipment	15	2,512,172	2,821,037	1,487,943	1,764,008
Goodwill	16	220,769	224,990	-	-
Other intangible assets	17	119,101	148,545	48,196	52,434
Deferred tax assets	6, 29	4,497	4,588	-	-
Total non-current assets		3,868,457	4,092,305	3,194,881	3,382,179
Total assets		4,950,587	6,038,139	4,703,638	5,772,422

Scan Inter Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Notes	2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Current liabilities					
Overdrafts and short-term loans					
from financial institutions	18	675,207	1,731,817	675,207	1,731,817
Trade and other current payables	4, 19, 20, 36	212,527	437,361	185,655	432,157
Current portion of long-term loans					
from financial institutions	18	284,527	204,803	225,629	158,926
Short-term loans from related parties	18	-	-	74,750	100,000
Current portion of finance lease liabilities	18	69,331	69,399	49,888	50,787
Current tax payable		3,834	4,801	2,738	3,892
Provisions for products and services warranty		2,184	5,408	2,184	5,408
Total current liabilities		1,247,610	2,453,589	1,216,051	2,482,987
Non-current liabilities					
Long-term loans from financial institutions	18	821,436	715,023	746,765	605,755
Finance lease liabilities	18	71,816	131,583	12,263	52,588
Deferred tax liabilities	6, 29	80,408	75,236	34,224	29,883
Non-current provisions for employee benefits	21	16,220	24,122	12,788	19,857
Other non-current payables	36	19,512	22,685	-	2,131
Total non-current liabilities		1,009,392	968,649	806,040	710,214
Total liabilities		2,257,002	3,422,238	2,022,091	3,193,201

Scan Inter Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Equity					
Share capital:					
Authorised share capital (1,200,000 thousand ordinary shares, par value at Baht 0.5 per share)		600,000	600,000	600,000	600,000
Issued and paid-up share capital (1,200,000 thousand ordinary shares, par value at Baht 0.5 per share)		600,000	600,000	600,000	600,000
Share premium on ordinary shares		1,346,389	1,346,389	1,346,389	1,346,389
Retained earnings					
Appropriated					
Legal reserve	22	60,000	60,000	60,000	60,000
Unappropriated		637,205	557,343	641,853	539,527
Other components of equity		49,982	52,156	33,305	33,305
Total equity attributable to owners of the parent		2,693,576	2,615,888	2,681,547	2,579,221
Non-controlling interests		9	13	-	-
Total equity		2,693,585	2,615,901	2,681,547	2,579,221
Total liabilities and equity		4,950,587	6,038,139	4,703,638	5,772,422

Scan Inter Public Company Limited and its Subsidiaries

Statement of income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Notes	2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sale of goods	36	2,333,786	2,513,121	1,968,278	2,543,330
Revenue from rendering of services	36	638,490	608,158	544,063	516,702
Total revenue	23, 24	2,972,276	3,121,279	2,512,341	3,060,032
Cost of sales of goods	10, 36	(2,203,596)	(2,320,660)	(1,842,130)	(2,341,471)
Cost of rendering of services	36	(381,897)	(339,825)	(316,467)	(282,669)
Gross profit		386,783	460,794	353,744	435,892
Gain on exchange rate		-	66	-	72
Other income	25	147,507	62,337	158,909	77,824
Distribution costs		(20,880)	(21,737)	(20,276)	(21,419)
Administrative expenses		(207,522)	(198,857)	(154,867)	(173,076)
Net exchange loss		(2,674)	-	(2,684)	-
Finance costs	28	(88,786)	(89,364)	(81,433)	(81,341)
Share of profit (loss) of associate and joint venture	11	16,079	(7,837)	-	-
Profit before income tax expense from continuing operations		230,507	205,402	253,393	237,952
Tax expense	29	(34,608)	(26,242)	(33,913)	(28,281)
Profit for the year		195,899	179,160	219,480	209,671
Profit attributable to:					
Owners of the parent		195,903	179,158	219,480	209,671
Non-controlling interests		(4)	2	-	-
Profit for the year		195,899	179,160	219,480	209,671
Basic earnings per share (in Baht)					
attributable to owners of the parent	30	0.16	0.15	0.18	0.17

Scan Inter Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
(in thousand Baht)					
Profit for the year		195,899	179,160	219,480	209,671
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations	11	(2,174)	(2,862)	-	-
Total item that will be reclassified subsequently to profit or loss		(2,174)	(2,862)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans	21	4,947	-	3,557	-
Income tax relating to items that will not be reclassified	29	(988)	-	(711)	-
Total items that will not be reclassified to profit or loss		3,959	-	2,846	-
Other comprehensive income for the year, net of tax		1,785	(2,862)	2,846	-
Total comprehensive income for the year		197,684	176,298	222,326	209,671
Total comprehensive income (expense) attributable to:					
Owners of the parent		197,688	176,296	222,326	209,671
Non-controlling interests		(4)	2	-	-
Total comprehensive income for the year		197,684	176,298	222,326	209,671

Scan Inter Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements														
Retained earnings					Other components of equity									
Appropriated Unappropriated														
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve		Share-based payment reserves	Translating foreign operations	A business combination under common control	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity		
(in thousand Baht)														
Year ended 31 December 2018														
Balance at 1 January 2018		600,000	1,346,389	60,000	498,185	33,305	-	21,713	55,018	2,559,592	11	2,559,603		
Transactions with owners, recorded directly in equity														
Contribution to owners of the parent														
Dividends	31	-	-	-	(120,000)	-	-	-	-	(120,000)	-	(120,000)		
Total contribution to owners of the parent		-	-	-	(120,000)	-	-	-	-	(120,000)	-	(120,000)		
Comprehensive income (expense) for the year														
Profit for the year		-	-	-	179,158	-	-	-	-	179,158	2	179,160		
Other comprehensive income		-	-	-	-	-	(2,862)	-	(2,862)	(2,862)	-	(2,862)		
Total comprehensive income (expense) for the year		-	-	-	179,158	-	(2,862)	-	(2,862)	176,296	2	176,298		
Balance at 31 December 2018		600,000	1,346,389	60,000	557,343	33,305	(2,862)	21,713	52,156	2,615,888	13	2,615,901		

Scan Inter Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements											
Retained earnings				Other components of equity							
Appropriated				Unappropriated							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Share-based payment reserves	Translating foreign operations	A business combination under common control	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
(in thousand Baht)											
Year ended 31 December 2019											
Balance at 1 January 2019		600,000	1,346,389	60,000	557,343	33,305	(2,862)	21,713	52,156	2,615,888	13 2,615,901
Transactions with owners, recorded directly in equity											
Contribution to owners of the parent											
Dividends	31	-	-	-	(120,000)	-	-	-	-	(120,000)	(120,000)
Total contribution to owners of the parent		-	-	-	(120,000)	-	-	-	-	(120,000)	(120,000)
Comprehensive income (expense) for the year											
Profit for the year		-	-	-	195,903	-	-	-	-	195,903	(4) 195,899
Other comprehensive income		-	-	-	3,959	-	(2,174)	-	(2,174)	1,785	- 1,785
Total comprehensive income (expense) for the year		-	-	-	199,862	-	(2,174)	-	(2,174)	197,688	(4) 197,684
Balance at 31 December 2019		600,000	1,346,389	60,000	637,205	33,305	(5,036)	21,713	49,982	2,693,576	9 2,693,585

Scan Inter Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements					
	Retained earnings			Other components of equity		
	Appropriated	Unappropriated		Share-based payment reserves		Total equity
	Legal reserve	Premium on ordinary shares	Issued and paid-up share capital	Note		
<i>(in thousand Baht)</i>						
Year ended 31 December 2018						
Balance at 1 January 2018	60,000	1,346,389	600,000		449,856	2,489,550
Transactions with owners, recorded directly in equity						
Contribution to owners of the parent						
Dividends	-	-	-	31	(120,000)	(120,000)
Total contribution to owners of the parent	-	-	-		(120,000)	(120,000)
Comprehensive income for the year						
Profit for the year	-	-	-		209,671	209,671
Total comprehensive income for the year	-	-	-		209,671	209,671
Balance at 31 December 2018	60,000	1,346,389	600,000		539,527	2,579,221

Scan Inter Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements					
	Retained earnings			Other components of equity		
	Appropriated	Unappropriated		Share-based payment reserves		Total equity
	Legal reserve	Premium on ordinary shares	Issued and paid-up share capital	Note		
<i>(in thousand Baht)</i>						
Year ended 31 December 2019						
Balance at 1 January 2019	600,000	1,346,389	60,000	539,527	33,305	2,579,221
Transactions with owners, recorded directly in equity						
Contribution to owners of the parent						
Dividends	31	-	-	(120,000)	-	(120,000)
Total contribution to owners of the parent		-	-	(120,000)	-	(120,000)
Comprehensive income for the year						
Profit for the year		-	-	219,480	-	219,480
Other comprehensive income		-	-	2,846	-	2,846
Total comprehensive income for the year		-	-	222,326	-	222,326
Balance at 31 December 2019	600,000	1,346,389	60,000	641,853	33,305	2,681,547

Scan Inter Public Company Limited and its Subsidiaries

Statement of cash flows

	Notes	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Cash flows from operating activities					
Profit for the year		195,899	179,160	219,480	209,671
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	29	34,608	26,242	33,913	28,281
Depreciation and amortisation	14, 15, 17	210,114	218,559	151,246	149,555
Finance costs	28	88,786	89,364	81,433	81,341
Impairment losses on goodwill		4,221	-	-	-
Impairment losses on intangible assets		15,975	-	-	-
Unrealised gain on exchange rate		-	(328)	-	(328)
Share of (profit) loss of associate and joint venture		(16,079)	7,837	-	-
Bad and doubtful debts expenses	7	4,210	2,611	1,529	3,028
Losses on inventories devaluation	11	4,044	6,742	3,637	6,351
Gain on disposal of property, plant and equipment		(91,626)	(4,383)	(91,576)	(5,227)
(Reversal of) provision for products and services warranty expenses		(3,224)	2,054	(3,224)	2,054
Non-current provisions for employee benefits	21	6,356	3,131	5,663	2,604
Interest income		(28,968)	(43,225)	(39,054)	(73,010)
		424,316	487,764	363,047	404,320
<i>Changes in operating assets and liabilities</i>					
Trade and other current receivables		327,011	(346,212)	319,246	(675,233)
Inventories		173,391	685,318	173,210	682,349
Finance lease receivables		18,972	11,806	18,972	11,806
Other non-current receivables		(1,373)	20,002	(1,260)	19,679
Trade and other current payables		(206,436)	187,226	(228,070)	188,307
Other non-current payables		(1,569)	(4,423)	(2,131)	(4,423)
Employee benefits paid	21	(9,311)	(461)	(9,175)	(461)
Net cash generated from operating activities		725,001	1,041,020	633,839	626,344
Income tax paid		(24,913)	(22,336)	(25,542)	(18,917)
Net cash from operating activities		700,088	1,018,684	608,297	607,427

Scan Inter Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Cash flows from investing activities					
Changes in restricted deposits at financial institutions		-	6,882	-	6,881
Proceeds from short-term loans to a joint operator		518,481	295,014	518,481	295,014
Payment for short-term loans to a joint operator		(30,454)	(783,041)	(30,454)	(783,041)
Proceeds from short-term loans to related parties	4	-	-	14,520	85,324
Payment for short-term loans to related parties	4	-	-	(23,000)	(124,878)
Payment for acquisition of property, plant and equipment		(63,661)	(552,866)	(32,996)	(76,401)
Proceeds from disposals of property, plant and equipment		303,609	11,210	291,124	12,046
Proceeds from disposals of intangible assets		3	-	3	-
Payment for acquisitions of subsidiaries, net of cash received		-	(6,053)	(14,000)	(6,053)
Proceeds from disposals of subsidiary, net of cash payment		-	-	250	-
Payment for acquisition of associate		(120,141)	(224,906)	(120,141)	(224,906)
Payment for the increase in registered share capital of a joint venture	11	(25,500)	-	-	-
Payment for the increase in registered share capital of a subsidiary		-	-	-	(100,000)
Payment for acquisition of intangible assets		(873)	(1,226)	(806)	(761)
Interest received		34,708	39,852	44,347	66,050
Net cash from (used in) investing activities		616,172	(1,215,134)	647,328	(850,725)

Scan Inter Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<i>Cash flows from financing activities</i>					
Proceeds from short-term loans from financial institutions		1,194,002	1,522,338	1,194,002	1,522,338
Repayment for short-term loans from financial institutions		(2,250,918)	(1,332,119)	(2,250,918)	(1,332,119)
Proceeds from long-term loans from financial institutions		400,000	358,010	400,000	280,000
Repayment for long-term loans from financial institutions		(214,331)	(178,091)	(192,612)	(156,371)
Proceeds from short-term loans from a related party	4	-	-	-	100,000
Repayment for short-term loans from a related party	4	-	-	(25,250)	(12,000)
Repayment for liabilities under finance lease agreements		(69,534)	(72,826)	(50,923)	(54,769)
Dividend payment		(119,950)	(119,992)	(119,950)	(119,992)
Interest paid		(89,485)	(90,013)	(82,164)	(81,405)
Finance charge paid		(2,729)	(2,526)	(2,729)	(2,043)
Net cash from (used in) financing activities		(1,152,945)	84,781	(1,130,544)	143,639
Net increase (decrease) in cash and cash equivalents		163,315	(111,669)	125,081	(99,659)
Cash and cash equivalents at 1 January		52,972	164,641	35,246	134,905
Cash and cash equivalents at 31 December	6	216,287	52,972	160,327	35,246

Scan Inter Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018

(in thousand Baht)

Supplementary information for cash flows

Non-cash transactions				
Payable for dividend payment	79	29	79	29
Payable for shares	-	18,973	-	18,973
Payable for purchase of property, plant and equipment	-	38,191	-	13,444
Transfer from investment properties to property, plant and equipment	-	20,824	-	20,824

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 17 February 2020.

1. General information

Scan Inter Public Company Limited, the "Company", is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 23 February 2015. The Company's registered office at 355 Bondstreet Road, Bangpood, Pakkred, Nonthaburi, Thailand

The Company's major shareholders during the financial period was The Kitpipit family.

The principal businesses of the Company and its subsidiaries, the "Group", are trade of gas through service stations for vehicle, filling gas of iCNG for industrial, service for quality improvement of natural gas and transportation of natural gas (PMS and 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 battery and glass, solar power plant, trade of carbon dioxide and nitrogen, engine oil and lubricants, and transportation, warehousing and local distribution services.

Details of the Company's subsidiaries as at 31 December were as follows:

Name of the entity	Type of Business	Country of operation	Ownership interest	
			2019	2018
(%)				
Direct subsidiaries				
Siam Vasco Co., Ltd.	Trading of liquid carbon dioxide, engine oil and lubricants	Thailand	100.00	100.00
Contorno Co., Ltd.	Export of battery and glass	Thailand	99.99	99.99
Kaokong Petroleum Co., Ltd.	NGV Gas station	Thailand	99.96	99.96
Scan Inter Logistics Co., Ltd.	Transportation, warehousing and distribution services	Thailand	99.99	99.99
V.O.Net Biodiesel Asia Co., Ltd.	Power plant with electricity production from solar power	Thailand	99.99	99.99
Panthera Motors Co., Ltd.	Manufacturing and leasing of minibuses	Thailand	99.99	-

Scan Inter Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

Name of the entity	Type of Business	Country of incorporation	Interest in Joint operation	
			2019	2018
(%)				
Indirect subsidiaries held by Siam Vasco Co., Ltd.				
B.P.A Intertrade Co., Ltd. (Not yet operated)	NGV Gas station	Thailand	100.00	100.00
Warapapha Co., Ltd.	NGV Gas station	Thailand	100.00	100.00
N.T. Energy Gas Co., Ltd.	NGV Gas station	Thailand	100.00	100.00
Aimmie NGV Co., Ltd.	NGV Gas station	Thailand	100.00	100.00
Namphong NGV 2558 Co., Ltd.	NGV Gas station	Thailand	100.00	100.00

The Company has joint arrangement which assessed as joint operation between the Company and other joint operator (note 12). The Company recognised its share of assets, liabilities, revenue and expenses of the joint operation in proportion to its interest to the consolidated and separate financial statements, the detail as at 31 December as follows:

Name of the entity	Type of Business	Country of incorporation	Interest in Joint operation	
			2019	2018
(%)				
Joint Venture Scan Inter Public Company Limited and Cho Thavee Public Company Limited (hereinafter called “Joint Venture SCN-CHO” (Joint operation))	Sales and maintenance services of 489 buses running on natural gas (NGV)	Thailand	50.00	50.00

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

2. Basis of preparation of the financial statements

(a) Statement of compliance

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's and the Company's accounting policies. There is no material impact on the Group's and the Company's financial statements except for initial applying TFRS 15 Revenue from Contracts with Customers which replaces TAS 18 Revenue, TAS 11 Construction Contracts and related interpretations. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3(t).

In addition, the Group and the Company have not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's and the Company's operations are disclosed in note 35.

(b) Functional and presentation currency

The financial statements are prepared in Thai Baht, which is the Group's and the Company's functional currency.

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's and the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

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

3(t), 23 and 24 Revenue recognition:

- whether performance obligations in a bundled sale of products and services are capable of being distinct;
- whether revenue from sales of made-to-order products is recognised over time or at a point in time;
- commission revenue: whether the Group acts as an agent in the transaction rather than as a principal;

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

- whether long-term advances received from customers have significant financing component;
- 11 Equity-accounted investees: whether the Group has significant influence over an investee;
- 12 Joint operation
- 3(v), 9 and 18 Leases: whether an arrangement containing a lease; and lease classification.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 3(t), 24 and 23 Revenue recognition: estimate of expected returns;
- 3(a) Acquisition of associate: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
- 6 Measurement of allowance for doubtful debts of trade accounts receivable;
- 16 Impairment test of goodwill: key assumptions underlying recoverable amounts;
- 21 Measurement of defined benefit obligations: key actuarial assumptions;
- 29 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

3. Significant accounting policies

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

(a) *Basis of consolidation*

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

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

Scan Inter Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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For the year ended 31 December 2019

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investee

The Group's interests in equity-accounted investee comprise interests in associate and joint venture.

Associate and joint venture are the entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of a foreign operation, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

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

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

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Notes to the financial statements

For the year ended 31 December 2019

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

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

(c) Hedging

Hedge of interest rates

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans. For interest rate forward contracts, the amounts received or paid on cash settlements, representing the gain or loss, are deferred and recognised over the life of the underlying monetary asset or liability as an adjustment to interest income or expense. For purchased interest rate options, the premiums paid are included in the statement of financial position under other assets or other liabilities. The premiums are amortised to interest income or expense over the life of the agreements.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other current receivables

A receivable is recognised when the Group and the Company have an unconditional right to receive consideration. If revenue has been recognised before the Group and the Company have an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

(f) Financial lease receivable

Finance lease receivable is stated outstanding balance net of unearned interest income less allowance for doubtful accounts.

The Company entered into sale and lease back agreement for certain building and machinery, resulting in a finance lease. Excess of sales proceeds over the carrying amount is not immediately recognised as income. This surplus is deferred and presented net under property, plant and equipment. Amortisation of such surplus presented offsetting with depreciation expenses in the profit or loss over the term of the lease.

The Company recognised finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal to fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability of each period.

The Company determines whether an arrangement that does not take the legal form of a lease, convey right to control the use of underlying asset during the arrangement period in return of a payment or series of payments. The underlying asset is a specific asset that is subject for a lease arrangement.

(g) Inventories

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

Cost of cars is calculated by using the specific identification method. Cost of other inventories is calculated by using the first in first out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(h) Investments

Investments in associate, subsidiaries and joint venture

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

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Disposal of investments

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

(i) Investment properties

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

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

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

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

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

(j) Property, plant and equipment

Recognition and measurement

Owned assets

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

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

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

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Notes to the financial statements

For the year ended 31 December 2019

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Leased assets

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

Subsequent costs

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

Depreciation

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

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

Building and building improvement	3 - 20 years
Machinery	3 - 25 years
Factory tools and equipment	5 - 10 years
Furniture, fixtures and office equipment	5 - 10 years
Vehicles	5 - 10 years

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

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

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

(k) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group and the Company intend to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

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

Subsequent expenditure

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

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Amortisation

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

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

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

Computer software	5 - 10 years
Rights in gas operating agreements	8 - 22 years
Compensation for the rights of selling electricity	25 years
Research and development	20 years

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

(I) Impairment

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

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

Calculation of recoverable amount

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

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Notes to the financial statements

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Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

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

(m) Interest-bearing liabilities

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

Fees paid on the establishment of loan facilities are recognised 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 capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(n) Trade and other current payables

Trade and other current payables are stated at cost.

(o) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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For the year ended 31 December 2019

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

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

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

(p) Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

(q) Provisions

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

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For the year ended 31 December 2019

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(r) Measurement of fair values

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

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

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

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

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

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

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

(s) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

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For the year ended 31 December 2019

(t) Revenue

Accounting policies for revenue recognition in 2019

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group and the Company expect to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time based on stage of completion as the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group and the Company account for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group and the Company sell the products and services in separate transactions.

Accounting policies for revenue recognition in 2018

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

Sale of goods

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

Rendering of services

The Group and the Company recognise revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

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For the year ended 31 December 2019

Commission revenue

When the Group and the Company act in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group and the Company.

Rental income

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

Financial lease income

The Group and the Company recognise revenue from financial lease by using the effective interest method.

Dividend income

Dividend income is recognised in profit or loss on the date of rights of the Group and the Company to receive payments is established.

Interest income and other income

Interest income and other income are recognised in profit or loss as it accrues.

(u) Finance costs

Finance costs is recognised using the effective interest method and comprises interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

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

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

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(v) Lease payments

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

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

(w) Income tax

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

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

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

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

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

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

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(x) *Earnings per share*

The Group and the Company present basic earnings per share (EPS) data for their ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(y) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group and the Company; a person or entity that are under common control or under the same significant influence as the Group and the Company; or the Group and the Company have direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(z) *Segment reporting*

Segment results that are the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, foreign exchange gain, distribution costs, administrative expenses, financial costs and income tax expense.

Scan Inter Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

4. Related parties

Relationships with subsidiaries, associates and joint ventures are described in note 11, 12 and 13. Other related parties that the Group and the Company had significant transactions with during the year were as follows:

Relationships with subsidiaries, associate and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
The Kitpipit family	Thailand	Major shareholders of the Group and persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly and directors Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly and directors (whether management or not)
Key management	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly and directors (whether management or not)

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

Transactions	Pricing policies
Revenue from sale of goods	At prices equivalent to sales to third parties
Revenue from rendering of services	At contractually agreed prices, equivalent to market prices
Rental income / Other income	At contractually agreed prices, equivalent to market prices
Purchases of raw materials and receiving of services	At prices equivalent to purchases/services provided from third parties
Interest income / Interest expense	At rates equivalent to market rates

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Significant transactions for the year ended 31 December with related parties are summarised as follows:

	Consolidated		Separate	
<i>Year ended 31 December</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sale of goods	-	-	31,734	325,223
Revenue from rendering of services	-	-	14,431	11,546
Other income	-	-	5,468	5,351
Rental income	-	-	919	273
Interest income	-	-	10,226	10,448
Purchases of goods	-	-	3,237	9,378
Receiving of services	-	-	25,548	13,210
Interest expense	-	-	2,840	2,295
Joint venture				
Consultant fee	-	-	210	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	29,597	28,376	28,588	26,767
Post-employment benefits	1,532	553	1,532	553
Total key management personnel compensation	31,129	28,929	30,120	27,320

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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

<i>Trade accounts receivable</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018

(in thousand Baht)

Subsidiaries

Namphong NGV 2558 Co., Ltd.	-	-	103,108	103,072
Siam Vasco Co., Ltd.	-	-	99,241	79,997
Aimmie NGV Co., Ltd.	-	-	74,998	69,479
B.P.A Intertrade Co., Ltd.	-	-	53,779	74,249
Kaokong Petroleum Co., Ltd.	-	-	22,293	16,776
Scan Inter Logistics Co., Ltd.	-	-	5,430	7,001
Others	-	-	-	264
Subtotal	-	-	358,849	350,838

Other current receivables

Subsidiaries

Kaokong Petroleum Co., Ltd.	-	-	5,907	2,703
Siam Vasco Co., Ltd.	-	-	877	336
V.O.Net Biodiesel Asia Co., Ltd.	-	-	387	445
Scan Inter Logistics Co., Ltd.	-	-	298	713
Panthera Motors Co.,Ltd.	-	-	132	-
Warapapha Co., Ltd.	-	-	54	-
Others	-	-	34	6
Subtotal	-	-	7,689	4,203
Total	-	-	366,538	355,041

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

<i>Loans to</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<i>Short-term loans to</i>						
Subsidiaries						
V.O. Net Biodiesel Asia Co., Ltd.	6.0	6.0	-	-	75,078	85,078
Siam Vasco Co., Ltd.	5.0	5.0	-	-	58,475	53,495
Scan Inter Logistics co., Ltd	4.5	4.5	-	-	33,120	31,120
Kaokong Petroleum Co., Ltd.	5.0	5.0	-	-	21,500	10,000
Total			-	-	188,173	179,693

Movements during the year ended 31 December of loans to related parties were as follows:

Short-term loans	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
(in thousand Baht)				
Subsidiaries				
At 1 January	-	-	179,693	140,139
Increase	-	-	23,000	124,878
Decrease	-	-	(14,520)	(85,324)
At 31 December	-	-	188,173	179,693

Scan Inter Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

<i>Trade accounts payable</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018

(in thousand Baht)

Subsidiaries

Scan Inter Logistic Co., Ltd.	-	-	1,966	1,989
Kaokong Petroleum Co., Ltd	-	-	103	-
Siam Vasco Co., Ltd.	-	-	-	421
Total	-	-	2,069	2,410

<i>Other current payables</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018

(in thousand Baht)

Subsidiaries

Panthera Motors Co.,Ltd.	-	-	3,250	-
Contorno Co., Ltd.	-	-	190	255
B.P.A Intertrade Co., Ltd.	-	-	-	26,055
Total	-	-	3,440	26,310

Joint venture

Scan Advance Power Co., Ltd.	-	-	32	-
Total	-	-	3,472	26,310

<i>Short-term loan from</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018

(% per annum) *(in thousand Baht)*

Subsidiary

Contorno Co., Ltd.	3.0	3.0	-	-	74,750	100,000
Total			-	-	74,750	100,000

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Movements during the year ended 31 December of loan from related party was as follows:

<i>Loans from</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
At 1 January	-	-	100,000	12,000
Increase	-	-	-	100,000
Decrease	-	-	(25,250)	(12,000)
At 31 December	-	-	74,750	100,000

Significant agreement with related parties

The Company entered into a lease agreement with a related company covering of assets and equipment for selling liquid and compressed Carbon Dioxide in the amount as specified in the agreements.

The agreement will be terminated when the Company submits a written notice to the other party.

The Group and the Company entered into agreements with related parties for providing consultation and services to the latters. The agreements will be terminated when the Group and the Company submit a written notice to the other parties.

The Company entered into loan agreements to related parties and entered into a loan agreement from a related party. The agreements will be terminated when all principles have been repaid or at call.

Scan Inter Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

5. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	2,474	5,095	511	1,307
Cash at banks - current accounts	192,916	5,201	12,939	1,290
Cash at banks - savings accounts	20,897	26,983	146,877	16,956
Cheques on hand	-	15,693	-	15,693
Cash and cash equivalents	216,287	52,972	160,327	35,246

6. Trade and other current receivables

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<i>Trade account receivables</i>					
Related parties	4	-	-	358,849	350,838
Other parties		316,821	537,969	281,005	500,787
Total		316,821	537,969	639,854	851,625
Less allowance for doubtful accounts		(6,925)	(3,344)	(4,135)	(3,234)
Net		309,896	534,625	635,719	848,391
<i>Other current receivables</i>					
Related parties	4	-	-	7,689	4,203
Other parties		44,375	156,607	19,622	136,504
Total		44,375	156,607	27,311	140,707
Less allowance for doubtful accounts		-	-	-	-
Net		44,375	156,607	27,311	140,707
Total		354,271	691,232	663,030	989,098

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	-	-	125,005	194,382
Overdue:				
Less than 3 months	-	-	70,323	103,230
3 - 6 months	-	-	3,914	41,038
6 - 12 months	-	-	6,918	12,188
Over 12 months	-	-	152,689	-
	-	-	358,849	350,838
Other parties				
Within credit terms	249,410	447,275	229,668	426,663
Overdue:				
Less than 3 months	50,163	68,110	37,439	54,384
3 - 6 months	1,992	13,738	1,992	10,917
6 - 12 months	7,808	2,676	7,275	2,661
Over 12 months	7,448	6,170	4,631	6,162
	316,821	537,969	281,005	500,787
Less allowance for doubtful accounts	(6,925)	(3,344)	(4,135)	(3,234)
	309,896	534,625	276,870	497,553
Net	309,896	534,625	635,719	848,391

The normal credit term granted by the Group and the Company range from 15 days to 90 days.

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7. Other current receivables

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2019	2018	2019	2018
(in thousand Baht)					
Related parties	4	-	-	7,689	4,203
Other parties					
Revenue department receivable		13,792	9,180	-	-
Undue input vat		13,417	17,148	7,263	12,929
Prepaid expenses		9,934	11,510	5,574	7,206
Deposit for goods		901	46,375	802	45,880
Retention		-	58,054	-	58,020
Others		6,331	14,340	5,983	12,469
Total		44,375	156,607	19,622	136,504
Less allowance for doubtful accounts		-	-	-	-
Net		44,375	156,607	19,622	136,504
Total		44,375	156,607	27,311	140,707

8. Short-term loan to other joint operator

As at 31 December 2019, the Company has no short-term loan to other joint operator (31 December 2018: Baht 488.03 million with interest rate ranging from 6% to 15% per annum). However, other joint operator has not yet withdrawn all pledged asset. Fair value of the asset pledged by other joint operator is Baht 54.80 million (31 December 2018: Baht 366.13 million).

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For the year ended 31 December 2019

9. Finance lease receivables

Consolidated financial statements / Separate financial statements				
31 December 2019				
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
<i>(in thousand Baht)</i>				
Receivables under finance lease contracts	33,819	114,404	135,854	284,077
Less unearned interest income	(14,558)	(45,516)	(24,554)	(84,628)
Total receivable under finance lease contracts	19,261	68,888	111,300	199,449
Less allowance for doubtful accounts	-	-	-	-
Net	19,261	68,888	111,300	199,449

Consolidated financial statements / Separate financial statements				
31 December 2018				
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
<i>(in thousand Baht)</i>				
Receivables under finance lease contracts	35,637	119,621	164,456	319,714
Less unearned interest income	(16,665)	(50,554)	(34,074)	(101,293)
Total receivable under finance lease contracts	18,972	69,067	130,382	218,421
Less allowance for doubtful accounts	-	-	-	-
Net	18,972	69,067	130,382	218,421

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As at 31 December, the gross investment under the finance lease contracts and present value of minimum lease payments receivables were as follows:

	Consolidated financial statements / Separate financial statements			
	2019		2018	
	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts	Gross investment under finance lease contracts	Present value of minimum lease payments under finance lease contracts
<i>(in thousand Baht)</i>				
Portion due within one year	33,819	19,261	35,637	18,972
Portion due after one year but within five years	114,404	68,888	119,621	69,067
Portion due after five years	135,854	111,300	164,456	130,382
Total	284,077	199,449	319,714	218,421
Less unearned interest income	(84,628)		(101,293)	
Net investment under finance lease contracts	199,449		218,421	

In 2009, the Company entered into an agreement with a local company to provide service of establishing the Private Mother Station including building and other structures, and service of compressing natural gas for period of 20 years which will be expired in 2029. In 2015, the Company entered into an additional agreement with the aforesaid local company pertaining to service of compressing natural gas for period of 14 years which will be expired in 2029. These contracts have met the conditions for arrangements which contain leases, according to TFRIC Interpretation 4.

In 2017, the Company entered into lease agreements with two local companies to provide leases of private truck vehicles for period of 3 years, which will be expired in 2020.

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10. Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	24,389	101,813	13,380	90,142
Work in progress	120,985	181,137	119,283	179,435
Raw materials	377,444	423,882	371,712	418,682
Factory supplies	561	369	460	217
Spare parts	-	9,602	-	9,602
Goods in transit	-	3,792	-	3,792
Total	523,379	720,595	504,835	701,870
Less allowance for decline in value of inventory and inventory obsolescence	(32,387)	(28,343)	(26,869)	(23,232)
Net	490,992	692,252	477,966	678,638
Inventories recognised in an expense in 'cost of sales of goods':				
- Cost	2,203,596	2,320,660	1,842,130	2,341,471
- Write-down to net realisable value	(4,044)	(6,742)	(3,637)	(6,351)
Net	2,199,552	2,313,918	1,836,493	2,335,120

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Notes to the financial statements

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11. Investments in associate and joint venture

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Associate</i>				
At 1 January	233,508	-	244,207	-
Share of net profit (loss) from equity-accounted investee	16,299	(7,837)	-	-
Acquisitions	81,507	235,507	81,507	235,507
Additional paid-up	3,074	8,700	3,074	8,700
Paid-up capital	18,000	-	18,000	-
Currency translation differences	(2,174)	(2,862)	-	-
	350,214	233,508	346,788	244,207
<i>Joint venture</i>				
At 1 January	-	-	-	-
Share of net loss from equity-accounted investee	(220)	-	-	-
Acquisitions	25,500	-	-	-
At 31 December	25,280	-	-	-

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	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total				
Year ended 31 December				
At 1 January	233,508	-	244,207	-
Share of net profit (loss) from equity-accounted investees	16,079	(7,837)	-	-
Acquisitions	107,007	235,507	81,507	235,507
Additional paid-up	3,074	8,700	3,074	8,700
Paid-up capital	18,000	-	18,000	-
Currency translation differences	(2,174)	(2,862)	-	-
At 31 December	375,494	233,508	346,788	244,207

Associate

In November 2018, Green Earth Power (Thailand) Co., Ltd. ("GEPT") called for the final payment of 34.16% on the shares that the Company purchased from the ex-shareholder and has not been fully paid up for 0.09 million ordinary shares for Baht 3.07 million. Consequently, the Company made payments in January and February 2019.

During 2018, the Company and other shareholders have pledged total share of GEPT to a subcontractor under the terms and conditions as specified in the share pledge agreement pursuant to the Phase 1 Turnkey Subcontract.

In February 2019, GEPT issued additional 0.6 million ordinary shares (from 1.56 million ordinary shares to 2.16 million ordinary shares) at Baht 100 per value each, totaling to Baht 60 million, and called for the first payment of 25%, totaling Baht 4.50 million in that month. GEPT registered this capital increase with Ministry of Commerce on 11 April 2019 and called for the payment of 29% of Baht 5.22 million and 46% of Baht 8.28 million in the second and third quarters of 2019, respectively.

During the second quarter of 2019, the Group finally determined the fair value of net assets acquired by an independent appraiser and adjusted the acquisition accounting transaction after receiving additional information within one year from the date of acquisition of investment on 28 June 2018. The Group recognised gain on bargain purchase from the appraisal amounting to Baht 20.08 million in the consolidated financial statement in 2019.

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During the third quarter of 2019, GEP (Myanmar) Co., Ltd. ("GEPM"), totally held by GEPT, that operates in development and construction project of solar power plant in Minbu, Myanmar. GEPM entered into power purchase agreement with Electric Power Generation Enterprise (EPGE) for 30 years since the date of commercial operation. At present, the project has already completed construction for Phase 1 of 50 MW (Phase 1) and started its commercial operation since 27 September 2019 onwards.

During the forth quarter of 2019, the Company purchased additional 10% of share of GEPT by investments in 215,785 shares which consist of:

- 1) Not fully paid-up shares which issued before 2019 from an ex-shareholder for 155,785 shares. The Company paid for the 6.5% share for Baht 48.32 million and for the 3.5% share for USD 0.77 million or equivalent to Baht 23.37 million which the Company and the ex-shareholder agreed to calculate such price in THB currency at the exchange rate as the date of payment. Then, the Company paid the remaining amount of the 10% of the shares for Baht 3.82 million for the shares to be fully paid up.
- 2) Issued additional shares during 2019 for 60,000 shares at Baht 100 par value each, totaling to Baht 6 million.

Joint venture

During the first quarter of 2019, the Board of Directors meeting approved the Company to invest in Spartan Auto Lease Co., Ltd. ("SAL"). The Company held by 9,997 ordinary shares of 10,000 ordinary shares at Baht 100 par value and become a subsidiary of The Group and the Company. SAL called for the first payment of 25% of issued shares equivalent to Baht 249,925 and registered the establish with Ministry of Commerce on 25 March 2019.

During the third quarter of 2019, Spartan Auto Lease Co., Ltd. has changed its name to Scan Advance Power Co., Ltd. ("SAP") and registered with Ministry of Commerce on 20 September 2019 in order to invest in Solar Rooftop project. Besides that, the Board of directors meeting approved the Company to sell all investment in SAP to Contorno Co., Ltd. ("CCL") which is one of the Company's subsidiaries for Baht 0.25 million. The carrying value of net assets of SAP in the consolidated financial statement of the Company on selling date was 0.24 million.

After that, the extraordinary shareholders meeting of SAP approved to issue additional 1,990,000 ordinary shares (from 10,000 shares to 2,000,000 ordinary shares) at Baht 100 par value each; totalling to Baht 199 million and registered this capital increase with Ministry of Commerce on 18 October 2019. After increased in authorised share capital, shareholders of SAP are CCL (51% shareholding), Prompt Power Co., Ltd. (25% shareholding) and Thai Advance Solar Co., Ltd. (24% shareholding). SAP called for the first payment of 25% of increased share capital equivalent to Baht 49.75 million, CCL then paid for Baht 25.25 million. This capital increase change status of SAP from a subsidiary to a joint venture of the Group.

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Investments in associate and joint venture as at 31 December, and dividend income from the investments for the year ended 31 December were as follows:

Consolidated financial statements											
	Type of business	Country of operation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income
			2019	2018	2019	2018	2019	2018	2019	2018	
			(%)		(in thousand Baht)						
Associate											
Green Earth Power (Thailand) Co., Ltd.	Investment	Thailand	40	30	215,756	145,508	346,788	244,207	350,214	233,508	-
Joint venture											
Scan Advance Power Co., Ltd.	Renewable energy	Thailand	51	-	50,000	-	25,500	-	25,280	-	-
Total					372,288	244,207	375,494	233,508			-

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For the year ended 31 December 2019

Separate financial statements							
	Type of business	Country of operation	Ownership interest		Paid-up capital		Dividend income
			2019	2018	2019	2018	
Associate			(%)		(in thousand Baht)		
	Green Earth Power (Thailand) Co., Ltd.	Thailand	40	30	215,756	145,508	-
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For the year ended 31 December 2019

Associate and joint venture

The following table summarises the financial information of the associate and joint venture as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Green Earth Power (Thailand) Co., Ltd.	Scan Advance Power Co., Ltd.	
	1 January - 31 December 2019	28 June - 31 December 2018	29 October - 31 December 2019
(in thousand Baht)			
Revenue	847,730	348,333	-
Losses from continuing operations ^a	(12,616)	(26,123)	(432)
Other comprehensive loss for the period	(11,916)	(9,540)	-
Total comprehensive loss (100%)	(24,532)	(35,663)	(432)
Group's share of total comprehensive loss	(7,360)	(10,699)	(220)
	31 December 2019	31 December 2018	31 December 2019
(in thousand Baht)			
Current assets ^b	334,907	206,414	22,305
Non-current assets ^c	2,321,778	1,662,016	29,114
Current liabilities ^d	(2,298,183)	(1,577,228)	(1,851)
Non-current liabilities ^e	(23,639)	(474)	-
Net assets (100%)	334,863	290,728	49,568
Group's share of net assets	133,945	87,218	25,280
Group's share of loss for the year	(3,785)	(7,837)	(220)
Currency translation exchange differences	(2,174)	(2,862)	-
Fair value adjustments of investments	222,228	156,989	220
Carrying amount of investments in associate and joint venture	350,214	233,508	25,280

Remark:

a. Includes interest income	1,513	47	442
b. Includes cash and cash equivalents	6,705	1,281	20,224
c. Includes:			
- other long-term investment	90,097	96,986	-
- receivable from service concession agreement	2,211,165	1,556,054	-
- property, plant and equipment	5,767	7,743	29,057

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	Green Earth Power (Thailand) Co., Ltd.		Scan Advance Power Co., Ltd.
	1 January - 31 December 2019	28 June - 31 December 2018	29 October - 31 December 2019
<i>(in thousand Baht)</i>			
d. Includes current financial liabilities (excluding trade and other payables and provisions)	(24,803)	(5,803)	(1,453)
e. Includes non-current financial liabilities (excluding trade, other payables and provisions)	(22,739)	-	-

12. Joint operation

In 2017, the Company entered into an agreement with other joint operator to establish a joint operation of "Joint Venture SCN-CHO" ("SCN-CHO") for trading 489 NGV buses and providing 10 years maintenance services since each bus start operating to Bangkok Mass Transport Authority ("BMTA"). According to the agreement, the Company shares 50% of the profit or loss of the joint operation. On behalf of SCN-CHO, the Group providing paid a deposit of Baht 426 million as a guarantee for the agreement. The deposit was classified as other non-current accounts receivable.

In the first quarter of 2019, SCN-CHO completed its delivery of the remaining 189 NGV buses to BMTA.

Assets and liabilities of the joint operation as at 31 December as follows:

	Consolidated / Separate financial statements	
	2019	2018
<i>(in thousand Baht)</i>		
Current assets	27,521	359,639
Non-current assets	213,042	213,042
Current liabilities	(15,258)	(204,655)
Total net assets	225,305	368,026

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Income and expenses of the joint operation which are included in statement of comprehensive income for the year ended 31 December as follows;

	Consolidated / Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Income	414,654	556,423
Expenses	(369,460)	(506,182)
Profit for the year	45,194	50,241

13. Investments in subsidiaries

		Separate financial statements	
	Note	2019	2018
		<i>(in thousand Baht)</i>	
At 1 January		668,058	545,955
Acquisition	11	500	22,103
Disposal	11	(250)	-
Increase in share capital		13,500	100,000
At 31 December		681,808	668,058

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

Separate financial statements						
	Ownership Interest		Paid-up capital		Cost	
	2019	2018	2019	2018	2019	2018

(*) During the first quarter of 2019, the Board of Directors meeting approved the Company to invest in Panthera Motors Co., Ltd. ("PMC") which the Company held by 9,997 ordinary shares of 10,000 ordinary shares at Baht 100 par value each. PMC called for the first payments of 25% of issued shares equivalent to Baht 0.25 million. PMC registered the establish with Ministry of Commerce on 25 March 2019. At the extraordinary general shareholders' meeting of PMC held on 1 August 2019, the shareholders passed their resolutions to issue additional 540,000 ordinary shares (from 10,000 ordinary shares to 550,000 ordinary shares) at Baht 100 par value each; totaling increase in authorised share capital Baht 54 million, and called for their first payment of 25% of issued shares equivalent to Baht 13.5 million. PMC registered this capital increase with Ministry of Commerce on 2 August 2019.

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

14. Investment properties

	Consolidated financial statements			Separate financial statements		
	Land	Building and building improvement	Total	Land	Building and building improvement	Total
	(in thousand Baht)			(in thousand Baht)		
Cost						
At 1 January 2018	6,343	29,890	36,233	5,501	29,890	35,391
Reclassification to property, plant and equipment	(1,500)	(29,890)	(31,390)	(1,500)	(29,890)	(31,390)
At 31 December 2018 and 1 January 2019	4,843	-	4,843	4,001	-	4,001
At 31 December 2019	4,843	-	4,843	4,001	-	4,001
Accumulated depreciation						
At 1 January 2018	-	(9,073)	(9,073)	-	(9,073)	(9,073)
Depreciation charge for the year	-	(1,493)	(1,493)	-	(1,493)	(1,493)
Reclassification to property, plant and equipment	-	10,566	10,566	-	10,566	10,566
At 31 December 2018 and 1 January 2019	-	-	-	-	-	-
At 31 December 2019	-	-	-	-	-	-
Net book value						
At 1 January 2018	6,343	20,817	27,160	5,501	20,817	26,318
At 31 December 2018 and 1 January 2019	4,843	-	4,843	4,001	-	4,001
At 31 December 2019	4,843	-	4,843	4,001	-	4,001

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Notes to the financial statements

For the year ended 31 December 2019

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>		<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss for investment properties</i>				
Rental income	52	-	52	-

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 3 years. Renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of investment properties for the Group and the Company as at 31 December 2019 are Baht 29.95 million and Baht 27.84 million, respectively *(2018: Baht 29.95 million and Baht 27.84 million, respectively)* was determined by independent professional valuer, at open market values on an existing use basis. The fair value of investment properties have been categorised as a Level 3 fair value.

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

15. Property, plant and equipment

Consolidated financial statements									
	Note	Land	Building and building improvement	Machinery	Factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction	Total
<i>(in thousand Baht)</i>									
Cost									
At 1 January 2018		799,695	759,189	479,162	187,073	54,939	998,922	253,657	3,532,637
Additions		2,496	85,614	49,031	5,084	12,467	39,314	261,252	455,258
Acquisitions through business combinations		5,508	2,641	109,955		21	-	-	118,264
Transfer		-	30,605	18,191	704	6,836	-	(56,336)	-
Transfer from investment properties	14	1,500	29,890	-	-	-	-	-	31,390
Disposals		-	(10,379)	(5,193)	(3,227)	(2,367)	(15,163)	(1,719)	(38,048)
At 31 December 2018 and 1 January 2019		809,199	897,560	651,146	189,773	71,896	1,023,073	456,854	4,099,501
Additions		653	9,829	220	16,828	2,783	15,653	51,029	96,995
Transfers		6,091	34,143	36,069	6,067	1,455	44,597	(128,422)	-
Disposals	25	(103,648)	(132,703)	(4,545)	(8,506)	(5,360)	(85,131)	-	(339,893)
At 31 December 2019		712,295	808,829	682,890	204,162	70,774	998,192	379,461	3,856,603

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Consolidated financial statements									
	Note	Land	Building and building improvement	Machinery	Factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction	Total
<i>(in thousand Baht)</i>									
Depreciation									
At 1 January 2018		-	(208,460)	(138,065)	(124,466)	(43,749)	(581,890)	-	(1,096,630)
Depreciation charge for the year		-	(50,048)	(51,669)	(12,328)	(5,996)	(64,477)	-	(184,518)
Acquisitions through business combinations		-	(275)	(17,620)	(68)	(8)	-	-	(17,971)
Transfer from investment properties	14	-	(10,566)	-	-	-	-	-	(10,566)
Disposals		-	10,379	2,182	3,062	2,105	13,493	-	31,221
At 31 December 2018 and 1 January 2019		-	(258,970)	(205,172)	(133,800)	(47,648)	(632,874)	-	(1,278,464)
Depreciation charge for the year		-	(55,671)	(53,623)	(12,031)	(6,461)	(66,091)	-	(193,877)
Disposals	25	-	40,185	2,082	8,133	4,921	72,589	-	127,910
At 31 December 2019		-	(274,456)	(256,713)	(137,698)	(49,188)	(626,376)	-	(1,344,431)

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Consolidated financial statements							
	Land	Building and building improvement	Machinery	Factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction
							Total
<i>Net book value</i>							
<i>(in thousand Baht)</i>							
At 1 January 2018							
Owned assets	799,695	550,729	327,913	61,656	11,190	108,612	2,113,452
Assets under finance leases	-	-	13,184	951	-	308,420	322,555
	799,695	550,729	341,097	62,607	11,190	417,032	2,436,007
At 31 December 2018 and 1 January 2019							
Owned assets	809,199	638,590	435,023	55,239	24,248	87,785	2,506,938
Assets under finance leases	-	-	10,951	734	-	302,414	314,099
	809,199	638,590	445,974	55,973	24,248	390,199	2,821,037
At 31 December 2019							
Owned assets	712,295	534,373	417,459	65,948	21,586	100,272	2,231,394
Assets under finance leases	-	-	8,718	516	-	271,544	280,778
	712,295	534,373	426,177	66,464	21,586	371,816	2,512,172

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Notes to the financial statements
For the year ended 31 December 2019

		Separate financial statements						
	Note	Building and building improvement	Machinery	Factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction	Total
<i>(in thousand Baht)</i>								
Cost								
At 1 January 2018		374,096	713,295	470,850	147,509	51,684	820,811	253,532
Additions		-	857	-	742	7,452	15,115	67,676
Transfers		-	30,490	18,191	704	6,836	-	(56,221)
Transfer from investment properties	14	1,500	29,890	-	-	-	-	-
Disposals		-	(10,379)	(5,193)	(3,226)	(1,382)	(14,721)	(1,719)
At 31 December 2018 and 1 January 2019		375,596	764,153	483,848	145,729	64,590	821,205	263,268
Additions		-	-	-	15,777	2,522	12,372	35,659
Transfers		-	2,560	13,407	-	970	44,597	(61,534)
Disposals	25	(103,649)	(132,703)	(4,545)	(8,506)	(5,343)	(57,771)	-
At 31 December 2019		271,947	634,010	492,710	153,000	62,739	820,403	237,393
								2,672,202

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Separate financial statements								
	Land	Building and building improvement	Machinery	Factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction	Total
(in thousand Baht)								
Depreciation								
At 1 January 2018	-	(202,616)	(128,861)	(112,453)	(41,160)	(545,724)	-	(1,030,814)
Depreciation charge for the year	-	(43,906)	(34,977)	(11,384)	(5,592)	(46,945)	-	(142,804)
Transfer from investment properties	-	(10,566)	-	-	-	-	-	(10,566)
Disposals	-	10,379	2,182	3,063	1,128	13,051	-	29,803
At 31 December 2018 and 1 January 2019	-	(246,709)	(161,656)	(120,774)	(45,624)	(579,618)	-	(1,154,381)
Depreciation charge for the year	-	(44,764)	(34,396)	(9,809)	(5,168)	(48,709)	-	(142,846)
Disposals	-	40,185	2,082	8,133	4,917	57,651	-	112,968
At 31 December 2019	-	(251,288)	(193,970)	(122,450)	(45,875)	(570,676)	-	(1,184,259)

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For the year ended 31 December 2019

Separate financial statements									
	Land	Building and building improvement	Machinery	Factory tools and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction	Total	
Net book value	(in thousand Baht)								
	At 1 January 2018								
	Owned assets	374,096	510,679	328,805	34,382	10,524	72,260	253,532	1,584,278
	Assets under finance leases	-	-	13,184	674	-	202,827	-	216,685
	374,096	510,679	341,989	35,056	10,524	275,087	253,532	1,800,963	
At 31 December 2018 and 1 January 2019									
Owned assets	375,596	517,444	311,241	24,410	18,966	60,052	263,268	1,570,977	
Assets under finance leases	-	-	10,951	545	-	181,535	-	193,031	
	375,596	517,444	322,192	24,955	18,966	241,587	263,268	1,764,008	
At 31 December 2019									
Owned assets	271,947	382,722	290,022	30,135	16,864	89,106	237,393	1,318,189	
Assets under finance leases	-	-	8,718	415	-	160,621	-	169,754	
	271,947	382,722	298,740	30,550	16,864	249,727	237,393	1,487,943	

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For the year ended 31 December 2019

The gross amount of the Group and the Company's fully depreciated plant and equipment that were still in use in consolidated financial statements and separate financial statements as at 31 December 2019 amounted to Baht 561.82 million and Baht 523.38 million, respectively (2018: Baht 570.98 million and Baht 561.04 million, respectively).

16. Goodwill

	Consolidated financial statements	
	2019	2018
<i>(in thousand Baht)</i>		
Cost		
At 1 January	224,990	210,787
Acquired through business combinations	-	14,203
At 31 December	224,990	224,990
Impairment losses		
At 1 January	-	-
Impairment loss	(4,221)	-
At 31 December	(4,221)	-
Net book value		
At 31 December	220,769	224,990

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment, which are gas-related business, transportation and solar power plant.

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 the management covering a period of 5 years.

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Discount rate used for gas-related business, transportation and solar power plant for subsidiaries are average at 7% per annum (2018: 9% per annum). The assumption has 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.

The management of the Company performed impairment testing. A subsidiary of the Company intended to discontinue the NGV service station to the other company. The current agreement will be expired in March 2020. Thus, the Group recognised impairment loss on goodwill amounting to Baht 4.22 million and rights in natural gas operating agreement amounting to Baht 15.97 million during the year 2019 (see note 17).

Sensitivity analysis

If the assumptions used in the calculation on impairment tests for goodwill change, the business growth rate decreased by 1% per annum or discount rate increased by 1% per annum, there is still no impairment of goodwill.

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17. Intangible assets

	Consolidated financial statements				
	Computer software	Rights in gas operating agreements	Compensation for the rights of selling electricity	Research and development	Total
<i>(in thousand Baht)</i>					
Cost					
At 1 January 2018	12,866	119,570	25,000	28,768	186,204
Additions	1,226	-	-	-	1,226
At 31 December 2018 and 1 January 2019	14,092	119,570	25,000	28,768	187,430
Additions	873	-	-	-	873
Disposals	(55)	-	-	-	(55)
At 31 December 2019	14,910	119,570	25,000	28,768	188,248

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For the year ended 31 December 2019

		Consolidated financial statements				
	Note	Computer software	Rights in gas operating agreements	Compensation for the rights of selling electricity	Research and development	Total
<i>(in thousand Baht)</i>						
Amortisation and impairment loss						
At 1 January 2018		(6,998)	(15,615)	(1,000)	(1,107)	(24,720)
Amortisation for the year		(1,217)	(9,073)	(1,000)	(2,875)	(14,165)
At 31 December 2018 and 1 January 2019		(8,215)	(24,688)	(2,000)	(3,982)	(38,885)
Amortisation for the year		(1,371)	(9,093)	(1,000)	(2,875)	(14,339)
Disposals		52	-	-	-	52
Impairment loss	16	-	(15,975)	-	-	(15,975)
At 31 December 2019		(9,534)	(49,756)	(3,000)	(6,857)	(69,147)

Net book value

At 1 January 2018	5,868	103,955	24,000	27,661	161,484
At 31 December 2018 and 1 January 2019	5,877	94,882	23,000	24,786	148,545
At 31 December 2019	5,376	69,814	22,000	21,911	119,101

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For the year ended 31 December 2019

	Separate financial statements			
	Computer software	Compensation for the rights of selling electricity	Research and development	Total
<i>(in thousand Baht)</i>				
Cost				
At 1 January 2018	11,475	25,000	28,768	65,243
Additions	761	-	-	761
At 31 December 2018 and 1 January 2019	12,236	25,000	28,768	66,004
Additions	806	-	-	806
Disposals	(55)	-	-	(55)
At 31 December 2019	12,987	25,000	28,768	66,755
Amortisation				
At 1 January 2018	(6,506)	(1,000)	(1,107)	(8,613)
Amortisation for the year	(1,082)	(1,000)	(2,875)	(4,957)
At 31 December 2018 and 1 January 2019	(7,588)	(2,000)	(3,982)	(13,570)
Amortisation for the year	(1,166)	(1,000)	(2,875)	(5,041)
Disposals	52	-	-	52
At 31 December 2019	(8,702)	(3,000)	(6,857)	(18,559)
Net book value				
At 1 January 2018	4,969	24,000	27,661	56,630
At 31 December 2018 and 1 January 2019	4,648	23,000	24,786	52,434
At 31 December 2019	4,285	22,000	21,911	48,196

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18. Interest-bearing liabilities

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2019	2018	2019	2018
(in thousand Baht)					
Current					
- Unsecured					
Short-term loans from related parties	4	-	-	74,750	100,000
- Secured					
Short-term loans from financial institutions		675,207	1,731,817	675,207	1,731,817
Current portion of long-term loans from financial institutions		284,994	205,270	225,954	159,251
Less unamortised deferred finance charge		(467)	(467)	(325)	(325)
Net		284,527	204,803	225,629	158,926
Current portion of finance lease liabilities		69,331	69,399	49,888	50,787
Total current interest-bearing liabilities		1,029,065	2,006,019	1,025,474	2,041,530
Non-current					
- Secured					
Long-term loans from financial institutions		822,926	716,981	748,166	607,481
Less unamortised deferred finance charge		(1,490)	(1,958)	(1,401)	(1,726)
Net		821,436	715,023	746,765	605,755
Finance lease liabilities		71,816	131,583	12,263	52,588
Total non-current interest-bearing liabilities		893,252	846,606	759,028	658,343
Grand total		1,922,317	2,852,625	1,784,502	2,699,873

As at 31 December 2019, the interest rate of the long-term borrowings of the Group and the Company were 3.75 - 4.50% per annum (2018: 3.75 - 4.50% per annum).

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Notes to the financial statements

For the year ended 31 December 2019

<i>Assets pledged as security for liabilities as at 31 December</i>		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
<i>(in million Baht)</i>					
Investment in subsidiary	13	7,200	7,200	7,200	7,200
Property, plant and equipment	15	968,833	952,957	568,971	765,483
Total		976,033	960,157	576,171	772,683

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Within 1 year	959,734	1,936,620	975,586	1,990,743
1-5 years	728,602	611,202	653,929	501,934
After 5 years	92,834	103,821	92,836	103,821
Total	1,781,170	2,651,643	1,722,351	2,596,498

As at 31 December 2019, the Group and the Company's long-term loans were long-term loans from local financial institutions in Thailand for the operation, purchase of machinery and construction of buildings and factories. The Group and the Company's long-term loans were secured by investment in a subsidiary, investment properties and property, plant and equipment 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.

The Group entered into various loan agreements with a bank to obtain a loan of Baht 311 million which bear interest at THBFIX plus 2.10% per annum. These loans are repayable in monthly installments. The Group entered into interest rate swap agreements with a bank in order to hedge a portion of the above interest rate risk exposures, as discussed in note 35. Under these swap agreements, the Group is obligated to pay and entitled to receive from counter parties the principal and interest at the rates and conditions as indicated in the agreements. These agreements shall be in effect until August 2022.

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

On 28 June 2019, the Company entered into a facility agreement with a local financial institution of Baht 400 million to refinance its short-term loan which bears interest rate at MLR less certain margin. This loan shall be fully repaid in 6 years or not exceed 30 June 2025 (whichever is earlier). This loan shall be repaid on monthly maturity date and is secured by mortgages of its subsidiaries' lands with other buildings and machinery. The Company has to comply with certain conditions and covenants specified in the loan agreement.

Credit facilities

As at 31 December 2019, the Group had unutilised credit facilities totalling Baht 2,204.12 million (2018: Baht 1,626.02 million).

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

Consolidated financial statements						
	2019			2018		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments

(in thousand Baht)

Maturity period

Within 1 year	74,167	(4,836)	69,331	77,212	(7,813)	69,399
1 - 5 years	74,172	(4,788)	69,384	134,467	(8,827)	125,640
After 5 years	2,475	(43)	2,432	6,187	(244)	5,943
Total	150,814	(9,667)	141,147	217,866	(16,884)	200,982

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Separate financial statements						
	2019			2018		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments

(in thousand Baht)

Maturity period

Within 1 year	51,633	(1,745)	49,888	54,678	(3,891)	50,787
1 - 5 years	12,844	(581)	12,263	54,318	(1,730)	52,588
Total	64,477	(2,326)	62,151	108,996	(5,621)	103,375

Changes in liabilities arising from financing activities

Consolidated financial statements				
	Other loans and borrowings	Finance lease liabilities	Others	Total

(in thousand Baht)

Balance at 1 January 2019	2,652,520	200,982	29	2,853,531
Changes from financing cash flows	(963,461)	(69,534)	(119,950)	(1,152,945)
Other changes				
Finance leases	-	9,699	-	9,699
Interest expenses	88,786	-	-	88,786
Other non-cash movement	3,502	-	-	3,502
Others	-	-	120,000	120,000
Balance at 31 December 2019	1,781,347	141,147	79	1,922,573

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Notes to the financial statements
For the year ended 31 December 2019

	Separate financial statements			
	Other loans and borrowings	Finance lease liabilities	Others	Total
<i>(in thousand Baht)</i>				
Balance at 1 January 2019	2,597,590	103,375	29	2,700,994
Changes from financing cash flows	(959,671)	(50,923)	(119,950)	(1,130,544)
Other changes	-	9,699	-	9,699
Finance leases	81,433	-	-	81,433
Interest expenses	3,361	-	-	3,361
Other non-cash movement	-	-	120,000	120,000
Balance at 31 December 2019	1,722,713	62,151	79	1,784,943

19. Trade and other current payables

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
(in thousand Baht)					
Trade account payables					
Related parties	4	-	-	2,069	2,410
Other parties		140,544	302,878	120,120	282,200
		140,544	302,878	122,189	284,610
Other current payables					
Related parties	4	-	-	3,472	26,310
Other parties		71,983	134,483	59,994	121,237
		71,983	134,483	63,466	147,547
Total		212,527	437,361	185,655	432,157

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Notes to the financial statements

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20. Other current payables

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2019	2018	2019	2018
(in thousand Baht)					
Related parties	4	-	-	3,472	26,310
Others					
Revenue department payables		21,987	13,341	21,213	12,567
Accrued salary and bonus		11,611	13,115	10,187	10,906
Accrued professional fees		7,681	3,610	6,128	2,225
Deposits and advances received		7,432	14,371	3,437	8,133
Accrued utility expenses		7,134	6,642	6,362	6,067
Retention		5,424	51,342	5,424	51,342
Others		10,714	32,062	7,243	29,997
		71,983	134,483	59,994	121,237
Total		71,983	134,483	63,466	147,547

21. Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Statement of financial position				
Non-current provisions for:				
Post-employment benefits				
Defined benefit plan	16,220	24,122	12,788	19,857

Scan Inter Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
(in thousand Baht)					
At 1 January		24,122	21,452	19,857	17,714
Include in profit or loss:	26				
Current service cost		2,051	2,836	1,638	2,321
Past service cost		163	-	144	-
Interest on obligation		4,125	336	3,881	324
Actuarial loss (gain)		17	(41)	-	(41)
		6,356	3,131	5,663	2,604
Included in other comprehensive income					
Actuarial loss (gain)					
- Demographic assumptions		(1,697)	-	(1,833)	-
- Financial assumptions		48	-	255	-
- Experience adjustment		(3,298)	-	(1,979)	-
		(4,947)	-	(3,557)	-
Other					
Benefit paid		(9,311)	(461)	(9,175)	(461)
		(7,902)	2,670	(7,069)	2,143
At 31 December		16,220	24,122	12,788	19,857

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On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The group and the Company have therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(%)			
Discount rate	1.31 - 1.84	1.51 - 1.83	1.31	1.83
Future salary growth	2.00 - 5.00	3.00	3.00	3.00

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

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 0.45 - 8.69 years (2018: 0.30 - 8.73 years).

Sensitivity analysis

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

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<i>Effect to the defined benefit obligation</i>	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
<i>(in thousand Baht)</i>				
At 31 December 2019				
Discount rate (1% movement)	(449)	502	(356)	398
Future salary growth (1% movement)	489	(446)	387	(354)
Employee turnover (1% movement)	(505)	273	(405)	217
Future mortality (1% movement)	24	(24)	20	(20)
At 31 December 2018				
Discount rate (1% movement)	(708)	806	(655)	746
Future salary growth (1% movement)	1,007	(911)	929	(840)
Employee turnover (1% movement)	(793)	502	(733)	468
Future mortality (1% movement)	36	(36)	32	(32)

22. Legal reserve

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

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23. Segment information

Management determined that the Group has four reportable segments where business segments are presented as the main segments. The main segments offer different sizes, which are determined by nature of products and services. The segment information is presented on the same basis that is used for internal reporting purpose as provided to the chief operating decision maker, who is the Managing Director.

The Group's business segments are as follows:

Segment 1	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
Segment 2	Car dealer and spare parts: Trading of cars and related spare parts
Segment 3	Renewable energy: Solar power plant
Segment 4	Other segments include Trading of liquid carbon dioxide, engine oil and lubricants and convenient store, and transportation, warehousing and distribution services. None of these segments meets the quantitative thresholds for determining reportable segments in 2019 or 2018.

Segment is used to apprise performance and resource allocation for management. The Group measure each segment's performance based on earnings before interest, tax depreciation and amortisation (EBITDA) that is relative to other entities that operate within these industries. Inter-segment pricing is determined on arm's length basis.

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Major customer

Revenue from a customer of the Segment 1 of the Group was represent approximately Baht 570.35 million (2018: Baht 789.24 million) of the Group's total revenue.

For the year ended 31 December 2019							
	Segment 1	Segment 2	Segment 3	Segment 4	Total	Eliminations	Net
	(in thousand Baht)						
External revenue	1,690,761	1,063,518	59,462	158,535	2,972,276	-	2,972,276
Inter - segment revenue	57,910	689	-	40,938	99,537	(99,537)	-
Total revenue	1,748,671	1,064,207	59,462	199,473	3,071,813	(99,537)	2,972,276
Cost of sales and services	(1,474,607)	(997,906)	(21,742)	(181,523)	(2,675,778)	90,285	(2,585,493)
Gross profit	274,064	66,301	37,720	17,950	396,035	(9,252)	386,783
Other income							147,507
Profit before expenses							534,290
Distribution costs and administrative expenses							
Net foreign exchange loss							(2,674)
Finance costs							(88,786)
Share of net profits from associate and joint venture							16,079
Profit before income tax							230,507
Income tax expense							(34,608)
Profit for the year							195,899

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For the year ended 31 December 2019

	For the year ended 31 December 2018					Net
	Segment 1	Segment 2	Segment 3	Segment 4	Total	
	(in thousand Baht)					
External revenue	1,718,622	1,186,508	57,494	158,655	3,121,279	-
Inter - segment revenue	362,084	129	-	44,420	406,633	(406,633)
Total revenue	2,080,706	1,186,637	57,494	203,075	3,527,912	(406,633)
Cost of sales and services	(1,744,983)	(1,092,720)	(21,391)	(181,280)	(3,040,374)	379,889
Gross profit	335,723	93,917	36,103	21,795	487,538	(26,744)
Other income						62,337
Net foreign exchange gain						66
Profit before expenses						523,197
Distribution costs and administrative expenses						(220,594)
Share of loss of associate						(7,837)
Finance costs						(89,364)
Profit before income tax						205,402
Income tax expense						(26,242)
Profit for the year						179,160

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Notes to the financial statements

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24. Disaggregation of revenue

The Group's and the Company's operations and main revenue streams are described in the last annual financial statements. The Group's and the Company's main revenue is derived from contracts with customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Consolidated financial statements Reportable segments									
	Segment 1		Segment 2		Segment 3		Total reportable segments		Total
	2019	2018	2019	2018	2019	2018	2019	2018	2018
<i>For the year ended 31 December</i>									
<i>(in thousand Baht)</i>									
Primary geographical markets									
Thailand	1,690,761	1,718,622	1,063,518	1,186,507	59,462	57,494	2,813,741	2,962,623	141,548
Others	-	-	-	-	-	-	-	-	17,108
Total	1,690,761	1,718,622	1,063,518	1,186,507	59,462	57,494	2,813,741	2,962,623	158,656
									2,972,276
									3,121,279

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(in thousand Baht)

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Separate financial statements Reportable segments									
	Segment 1		Segment 2		Segment 3		Total reportable segments		Total
	2019	2018	2019	2018	2019	2018	2019	2018	
<i>For the year ended 31 December</i>	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>	<i>2018</i>
<i>(in thousand Baht)</i>									
Primary geographical market									
Thailand	1,396,338	1,813,986	1,064,207	1,186,637	41,920	40,924	2,502,465	3,041,547	3,060,032
Major products / service lines									
Compressed natural gas for industry (ICNG)	499,575	494,409	-	-	-	-	499,575	494,409	494,409
Quality improved natural gas (PMS)	244,409	286,465	-	-	-	-	244,409	286,465	286,465
Natural gas for vehicles	208,417	203,705	-	-	-	-	208,417	203,705	203,705
Transportation	136,636	151,305	-	-	-	-	136,636	151,305	151,305
Repair and maintenance of NGV station	119,586	122,457	-	-	-	-	119,586	122,457	122,457
Engineering, procurement and construction	121,076	481,810	-	-	-	-	121,076	481,810	481,810
NGV air conditioned buses	-	-	341,613	542,243	-	-	341,613	542,243	542,243
Vehicle	-	-	577,984	553,014	-	-	577,984	553,014	553,014
Renewable energy	-	-	-	-	41,920	40,924	41,920	40,924	40,924
Others	66,639	73,835	144,610	91,380	-	-	211,249	165,215	183,700
Total	1,396,338	1,813,986	1,064,207	1,186,637	41,920	40,924	2,502,465	3,041,547	3,060,032

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Separate financial statements Reportable segments									
	Segment 1		Segment 2		Segment 3		Total reportable segments		Total
	2019	2018	2019	2018	2019	2018	2019	2018	2018
<i>For the year ended 31 December</i>									
<i>(in thousand Baht)</i>									
Timing of revenue recognition									
At a point in time	774,630	771,949	992,639	1,172,834	-	-	1,767,269	1,944,783	1,089
Over time	621,708	1,042,037	71,568	13,803	41,920	40,924	735,196	1,096,764	8,787
Total	1,396,338	1,813,986	1,064,207	1,186,637	41,920	40,924	2,502,465	3,041,547	9,876
									18,485
									2,512,341
									3,060,032

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Promotional privileges

The Group and the Company have been granted promotional certificates by the Office of the Board of Investment for the manufacturing electricity from solar energy and providing services in NGV gas stations for vehicles. The Group and the Company have been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

Year ended 31 December	Consolidated financial statements					
	2019			2018		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
<i>(in thousand Baht)</i>						
Export sales	-	14,101	14,101	-	17,281	17,281
Local sales	59,462	2,998,251	3,057,713	257,361	3,253,270	3,510,631
Eliminations	-	(99,538)	(99,538)	(16,945)	(389,688)	(406,633)
Total revenue	59,462	2,912,814	2,972,276	240,416	2,880,863	3,121,279

Year ended 31 December	Separate financial statements					
	2019			2018		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
<i>(in thousand Baht)</i>						
Export sales	-	-	-	-	261	261
Local sales	41,920	2,470,421	2,512,341	40,924	3,018,847	3,059,771
Total revenue	41,920	2,470,421	2,512,341	40,924	3,019,108	3,060,032

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25. Other income

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Gain on disposal of assets	15	91,626	4,383	91,577	5,227
Interest income		28,968	43,225	39,054	53,555
Rental income		3,176	4,140	2,000	1,539
Consultant income		103	-	5,450	6,840
Others		23,634	10,589	20,828	10,663
Total		147,507	62,337	158,909	77,824

The Board of Directors meeting of the Company held on 14 November 2019 approved the Company to dispose assets used in two Mitsubishi car dealer businesses to two other companies amounting to Baht 292.43 million. The carrying amount of the assets on the selling date was Baht 207.28 million and the transaction was completed on 27 December 2019. Consequently, the Company recognised gain on disposal of assets in amount of Baht 85.16 million in the consolidated and separate financial statements as at 31 December 2019.

26. Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Wages and salaries		248,867	231,236	206,980	191,319
Defined benefit plans	21	6,356	3,131	5,663	2,604
Defined contribution plans		2,809	2,747	2,691	2,665
Others		17,464	14,600	12,398	12,433
Total	27	275,496	251,714	227,732	209,021

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Defined contribution plans

The defined contribution plans comprise provident funds established by the Group and the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 5% of their basic salaries and by the Group and the Company at rates ranging from 2% to 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

27. Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
(in thousand Baht)					
Changes in inventories of finished goods and work in progress		122,362	148,872	119,040	154,142
Raw materials and consumables used		614,707	532,235	581,059	760,220
Cost of trading goods		1,316,884	1,387,259	1,075,115	1,145,877
Employee benefit expenses	26	275,496	251,714	227,732	209,021
Depreciation and amortisation expenses		183,651	185,428	136,894	143,714
Utilities expenses		106,535	120,951	73,284	75,587
Repair expenses		46,413	26,664	19,818	26,798
Rental expenses		24,409	19,571	9,304	8,237
Consultant fee		10,852	32,381	9,747	21,702
Transportation expenses		11,338	13,706	8,152	12,373
Insurance expenses		10,019	9,769	5,884	6,241
Promotional expenses		5,734	10,405	5,204	10,252
Penalties		1,541	4,368	1,508	4,366
Input tax not deductible		1,982	7,970	1,129	6,354
Others		81,972	129,362	59,870	233,009
Total cost of sales of goods, distribution costs and administrative expenses		2,813,895	2,848,407	2,333,740	2,818,637

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28. Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
(in thousand Baht)					
Interest expense:					
Related parties	4	-	-	2,840	2,295
Bank loans and overdrafts		77,450	78,274	71,322	72,066
Total interest expense		77,450	78,274	74,162	74,361
Amortisation of transaction costs capitalised		3,503	1,360	3,361	1,251
Finance lease		7,833	10,062	3,910	6,061
Less amounts included in the cost of qualifying assets:		88,786	89,696	81,433	81,673
- Property, plant and equipment under construction		-	(332)	-	(332)
		-	(332)	-	(332)
Net		88,786	89,364	81,433	81,341

Scan Inter Public Company Limited and its Subsidiaries

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29. Income tax expense

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current tax expense	30,333	31,335	30,283	28,637
Deferred tax expense				
Movements in temporary differences	4,275	(5,093)	3,630	(356)
Total income tax expense	34,608	26,242	33,913	28,281

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2019		2018	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		230,507		205,402
Income tax using the Thai corporation tax rate	20.00	46,101	20.00	41,080
Income not subject to text		(3,260)		-
Tax privilege		(16,110)		(12,851)
Expenses not deductible for tax purposes		21,878		12,532
Expenses deductible at a greater amount		(18,998)		(18,599)
Loss carry forward		4,997		4,080
Total	15.01	34,608	14.64	26,242

Scan Inter Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

	Separate financial statements			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		253,393		237,952
Income tax using the Thai corporation tax rate	20.00	50,679	20.00	47,590
Tax privilege		(15,732)		(17,274)
Expenses not deductible for tax purposes		17,504		16,565
Expenses deductible at a greater amount		(18,538)		(18,600)
Total	13.38	33,913	11.89	28,281

<i>Unrecognised deferred tax assets</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Tax losses	120,842	95,856	-	-
Total	120,842	95,856	-	-

The tax losses expire in 2020 - 2024. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

Deferred tax

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Deferred tax assets	11,750	16,645	(9,408)	10,985
Deferred tax liabilities	(87,661)	(87,293)	(43,632)	(40,868)
Net	(75,911)	(70,648)	(34,224)	(29,883)

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	Consolidated financial statements			
		(Charged) / Credited to:		
	At 1 January 2019	Profit or loss	Other comprehensive income	At 31 December 2019
	(in thousand Baht)			
Deferred tax assets				
Trade and other current receivables	496	717	-	1,213
Inventories	5,669	807	-	6,476
Provision for products and services warranty	1,082	(645)	-	437
Non-current provisions for employee benefits	4,780	(594)	(988)	3,198
Deferred gains on sale of assets	852	(426)	-	426
Tax loss carried forward	3,766	(3,766)	-	-
Total	16,645	(3,907)	(988)	11,750
Deferred tax liabilities				
The fair values adjustment of assets acquired in business acquisition	(20,136)	(647)	-	(20,783)
Valuation of right in gas operating agreements	(19,503)	5,541	-	(13,962)
Finance lease liabilities	(26,667)	(4,946)	-	(31,613)
Difference in revenue recognition between accounting basis and tax basis	(20,987)	(316)	-	(21,303)
Total	(87,293)	(368)	-	(87,661)
Net	(70,648)	(4,275)	(988)	(75,911)

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Consolidated financial statements				
	At 1 January 2018	(Charged) / Credited to:		At 31 December 2018
		Profit or loss	Other comprehensive income	

(in thousand Baht)

Deferred tax assets

Trade and other current receivables	114	382	-	496
Inventories	4,321	1,348	-	5,669
Provision for products and services warranty	672	410	-	1,082
Non-current provisions for employee benefits	3,864	916	-	4,780
Investments Deferred gains on sale of assets	1	-	(1)	-
Deferred gains on sale of assets	-	852	-	852
Tax loss carried forward	3,160	606	-	3,766
Total	12,132	4,514	(1)	16,645

Deferred tax assets

The fair values adjustment of assets acquired in business acquisition	(24,267)	4,131	-	(20,136)
Valuation of right in gas operating agreements	(21,317)	1,814	-	(19,503)
Finance lease liabilities	(21,765)	(4,902)	-	(26,667)
Difference in revenue recognition between accounting basis and tax basis	(20,523)	(464)	-	(20,987)
Total	(87,872)	579	-	(87,293)
Net	(75,740)		(1)	(70,648)

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Separate financial statements				
		(Charged) / Credited to:		
	At 1 January 2019	Profit or loss	Other comprehensive income	At 31 December 2019
(in thousand Baht)				
Deferred tax assets				
Trade and other current receivables	476	180	-	656
Inventories	4,646	727	-	5,373
Provision for products and services warranty	1,082	(645)	-	437
Non-current provisions for employee benefits	3,929	(702)	(711)	2,516
Deferred gains on sale of assets	852	(426)	-	426
Total	10,985	(866)	(711)	9,408
(in thousand Baht)				
Deferred tax liabilities				
Finance lease liabilities	(19,881)	(2,448)	-	(22,329)
Difference in revenue recognition between accounting basis and tax basis	(20,987)	(316)	-	(21,303)
Total	(40,868)	(2,764)	-	(43,632)
Net	(29,883)	(3,630)	(711)	(34,224)

Separate financial statements				
		(Charged) / Credited to:		
	At 1 January 2018	Profit or loss	Other comprehensive income	At 31 December 2018
(in thousand Baht)				
Deferred tax assets				
Trade and other current receivables	9	467	-	476
Inventories	3,376	1,270	-	4,646
Provision for products and services warranty	668	414	-	1,082
Non-current provisions for employee benefits	3,432	497	-	3,929
Deferred gains on sale of assets	-	852	-	852
Total	7,485	3,500	-	10,985

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	Separate financial statements		
	(Charged) / Credited to:		
	At 1 January 2018	Profit or loss	Other comprehensive income
			At 31 December 2018

(in thousand Baht)

Deferred tax liabilities

Finance lease liabilities	(17,201)	(2,680)	-	(19,881)
Difference in revenue recognition between accounting basis and tax basis	(20,523)	(464)	-	(20,987)
Total	(37,724)	(3,144)	-	(40,868)
Net	(30,239)	356	-	(29,883)

30. Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December were based on the profit for the years attributable to equity holders of the parent and the number of ordinary shares outstanding during the year as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
(in thousand Baht / thousand shares)				
Profit for the year attributable to equity holders of the parent	195,903	179,158	219,480	209,671
Number of ordinary shares outstanding	1,200,000	1,200,000	1,200,000	1,200,000
Basic earnings per share (in Baht)	0.16	0.15	0.18	0.17

Scan Inter Public Company Limited and its Subsidiaries

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31. Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
<i>2019</i>				
Annual dividend	22 April 2019	May 2019	0.10	120,000
<i>2018</i>				
Annual dividend	27 April 2018	May 2018	0.10	120,000

32. Financial instruments

Capital management

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

Interest rate risk

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

The effective interest rates of loans receivable as at 31 December and the periods in which the loans receivable mature or re-price were as follows:

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Consolidated financial statements					
	Effective interest rate	Maturity period			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
	(% per annum)	(in thousand Baht)			

2018

Short-term loans to					
other party	6.00 - 15.00	488,027	-	-	488,027

Separate financial statements					
Note	Effective interest rate	Maturity period			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
	(% per annum)	(in thousand Baht)			

2019

Short-term loans to					
related parties	4	4.50 - 6.00	188,173	-	188,173

2018

Short-term loans to					
other party		6.00 - 15.00	488,027	-	488,027
Short-term loans to					
related parties	4	4.50 - 6.00	179,693	-	179,693
Total			667,720	-	667,720

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Scan Inter Public Company Limited and its Subsidiaries
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Consolidated financial statements					
	Effective interest rate	Maturity period			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
2019					
Current					
Short-term loans from financial institution	2.50 - 2.75	675,207	-	-	675,207
Short-term loans from financial institution	Fixed 3.75 - 4.50 MLR - 1.75				
Current portion of long-term loans from financial institution	MLR - 2.00 THBFIX + 2.10	284,527			
			-	-	284,527
Current portion of finance lease liabilities	3.64 - 7.97	69,331	-	-	69,331

Scan Inter Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Consolidated financial statements					
	Effective interest rate	Maturity period			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
Non-current					
Long-term loans from financial institution	Fixed 3.75 - 4.50 MLR - 1.75 MLR - 2.00 THBFIX + 2.10	-	728,602	92,834	821,436
Finance leases liabilities	3.25 - 7.97	-	69,384	2,432	71,816
Total		1,029,065	797,986	95,266	1,922,317
2018					
Current					
Short-term loans from financial institution	2.15 - 3.94	1,731,817	-	-	1,731,817
Current portion of long-term loans from financial institution	Fixed 3.75 - 4.50 MLR - 1.75 MLR - 2.00 THBFIX + 2.10	204,803	-	-	204,803
Current portion of finance lease liabilities	3.25 - 7.97	69,399	-	-	69,399
Non-current					
Long-term loans from financial institution	Fixed 3.75 - 4.50 MLR - 1.75 MLR - 2.00 THBFIX + 2.10	-	611,202	103,821	715,023
Finance leases liabilities	3.25 - 7.97	-	125,640	5,943	131,583
Total		2,006,019	736,842	109,764	2,852,625

Scan Inter Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

Separate financial statements					
	Effective interest	Maturity period			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)				(in thousand Baht)
2019					
Current					
Short-term loans from financial institution	2.15 - 3.94	675,207	-	-	675,207
Current portion of long-term loans from financial institution	Fixed 3.75 - 4.50 MLR - 1.75 MLR - 2.00 THBFIX + 2.10	225,629	-	-	225,629
Current portion of finance lease liabilities	3.64 - 7.97	49,888	-	-	49,888
Short-term loans from related parties	3.00	74,750	-	-	74,750
Non-current					
Long-term loans from financial institution	Fixed 3.75 - 4.50 MLR - 1.75 MLR - 2.00 THBFIX + 2.10	-	653,929	92,836	746,765
Finance leases liabilities	3.25 - 7.97	-	12,263	-	12,263
Total		1,025,474	666,192	92,836	1,784,502

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Separate financial statements					
	Effective interest	Maturity period			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)				(in thousand Baht)
2018					
Current					
Short-term loans from financial institution	2.15 - 3.94	1,731,817	-	-	1,731,817
Current portion of long-term loans from financial institution	Fixed 3.75 - 4.50 MLR - 1.75 MLR - 2.00 THBFIX + 2.10	158,926	-	-	158,926
Current portion of finance lease liabilities	3.64 - 7.97	50,787	-	-	50,787
Short-term loans from related parties	3.00	100,000	-	-	100,000
Non-current					
Long-term loans from financial institution	Fixed 3.75 - 4.50 MLR - 1.75 MLR - 2.00 THBFIX + 2.10	-	501,934	103,821	605,755
Finance leases liabilities	3.25 - 7.97	-	52,588	-	52,588
Total		2,041,530	554,522	103,821	2,699,873

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	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	

(in thousand Baht)

Financial assets and financial liabilities not measured at fair value

31 December 2019

Loans from financial institutions	125,000	-	121,105	-	121,105
Interest rate swap	-	-	2,406	-	2,406
Put option	-	-	(948)	-	(948)

31 December 2018

Loans from financial institutions	175,000	-	166,887	-	166,887
Foreign currency forward contracts	-	-	68,103	-	68,103
Put option	-	-	(10,890)	-	(10,890)
Interest rate swap	-	-	(2,125)	-	(2,125)

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	

(in thousand Baht)

Financial assets and financial liabilities not measured at fair value

31 December 2019

Loans from financial institutions	125,000	-	121,105	-	121,105
Put option	-	-	(948)	-	(948)
Interest rate swap	-	-	1,442	-	1,442

31 December 2018

Loans from financial institutions	175,000	-	166,887	-	166,887
Foreign currency forward contracts	-	-	68,103	-	68,103
Put option	-	-	(10,890)	-	(10,890)
Interest rate swap	-	-	(1,249)	-	(1,249)

Scan Inter Public Company Limited and its Subsidiaries

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Fair values of financial assets and liabilities

The fair values of the current portion of financial assets and liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial instruments.

The fair value of long-term loans from financial institutions is taken to approximate the carrying value. Because the market interest rate used for discounting future principal and interest cash flows to the present value at the capitalised date was insignificantly different from interest rate at the reporting date.

The fair values of finance lease liabilities approximate their carrying amounts as the market rate is close to the contract rate.

33. Commitments with non-related

(a) The Group and the Company have future minimum lease payments under non-cancellable operating leases as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within 1 year	11,768	9,882	6,758	4,893
1 - 5 years	27,981	27,930	11,200	8,010
After 5 years	5,779	10,138	3,695	4,927
Total	45,528	47,950	21,653	17,830

(b) The Group and the Company have capital expenditures contracted for at the statement of financial position date but not recognised in the financial information are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Property, plant and equipment	106	275	106	149

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(c) The Group and the Company have purchase order of goods for at the statement of financial position date but not recognised in the financial information are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Inventory	34,202	16,931	1,203	15,853

(d) The Group and the Company have bank guarantees for at the statement of financial position date but not recognised in the financial information are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Bank guarantees	407,025	446,181	400,860	364,707

(e) The Group and the Company have unused letters of credit from purchase goods and supplies for at the statement of financial position date but not recognised in the financial information are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Letters of credit	31,288	243,977	31,288	243,977

34. Events after the reporting period

At the Board of Directors Meeting of the Company held on 17 February 2020, the Board of Directors approved the appropriation of dividend from 2019 net profit of Baht 0.10 per share, amounting to Baht 120 million. This dividend is subject to the approval of the Shareholders at the Annual General Meeting on April 2020.

Scan Inter Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

35. Thai Financial Reporting Standards (TFRS) that have been issued but is not yet effective

New and revised TFRS, which are relevant to the Group's and Company's operations, expected to have material impact on the consolidated and separate Company's financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

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

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group and the Company will recognise new assets and liabilities for its operating leases. As at 31 December 2019, the Group's and Company's future minimum lease payments under non-cancellable operating leases amounted to Baht 6.64 million, on an undiscounted basis. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Scan Inter Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

36. Reclassification of accounts

Certain accounts in the 2018 financial statements have been reclassified to conform to the presentation in the 2019 financial statements as follows:

	2018					
	Consolidated financial statements			Separate financial statements		
	Before	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
<i>(in thousand Baht)</i>						
Statement of financial position						
Deferred tax assets	19,573	(14,985)	4,588	-	-	-
Trade and other current payables	(457,915)	20,554	(437,361)	-	-	-
Deferred tax liabilities	(90,221)	14,985	(75,236)	-	-	-
Other non-current payables	(2,131)	(20,554)	(22,685)	-	-	-
		<u>-</u>			<u>-</u>	

	2018					
	Consolidated financial statements			Separate financial statements		
	Before	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
<i>(in thousand Baht)</i>						
Statements of income						
Revenue	(2,520,996)	7,875	(2,513,121)	(2,551,205)	7,875	(2,543,330)
Revenue from rendering of services	(600,283)	(7,875)	(608,158)	(508,827)	(7,875)	(516,702)
Cost of sale of goods	2,353,423	(36,737)	2,316,686	2,374,234	(32,763)	2,341,471
Cost of rendering of services	307,062	38,305	345,367	249,906	32,763	282,669
Administrative expenses	198,857	(1,568)	197,289	-	-	-
		<u>-</u>			<u>-</u>	

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

SCAN INTER



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