

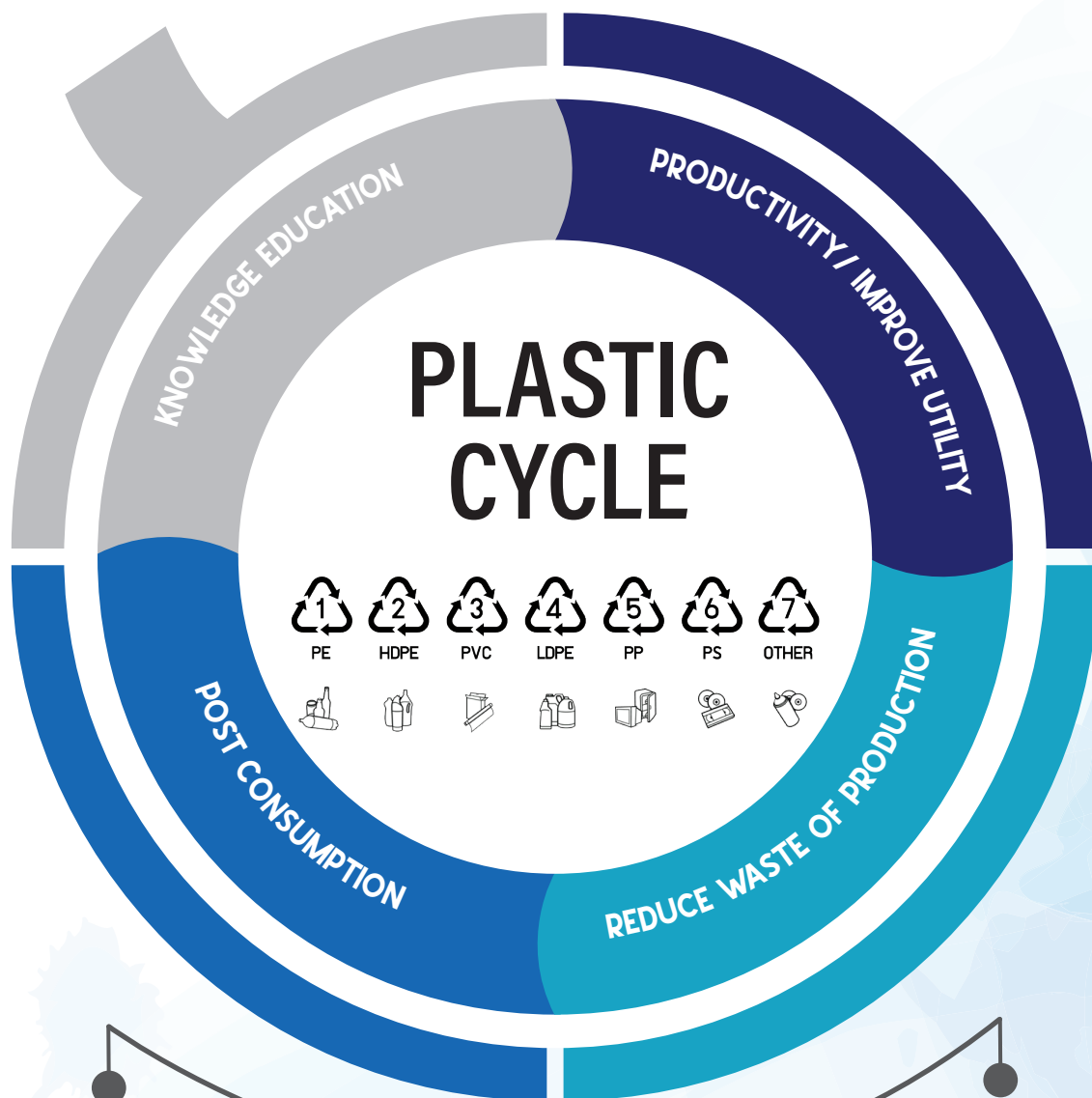
# Your Best Services

For Value Creation In Raw Material Supply



**GLOBAL CONNECTIONS**

PUBLIC COMPANY LIMITED



## Additive

- o Antioxidant
- o UV additive
- o Color (Black/White)
- o Antibacterial
- o Nucleating Agent

## Reinforcement

- o Talcum
- o Glass fiber (Short&Long)
- o Silica
- o Calcium

## Impact Modifier

- o Vistamaxx™
- o SBC
- o TPE/TPO/TPR/TPV
- o Hytrel™

## Improve Utility

- o D-5 GC (De-scaler Solution)
- o Engine Cleaner (Oil Cleaning)



**GLOBAL  
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## Your Best Services

For Value Creation In Raw Material Supply

# “Your best services for value creation in raw material supply”

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## Mission :

- Determined to have ethics and no legal offense
- Determined to build sustainable growth of profitability and revenue
- Determined to continuously develop knowledge, skill and expertise of our staff in order to compete as market leader
- To be market leader and serve our customers as one stop shopping. We always add on new products, and world class suppliers)
- To continuously training staff for their expertise in the work
- To connect the best suppliers and deliver advanced technologies for customers' best value
- To improve internal innovation in order to increases sale amount or decreases expense or social and environmental-friendly.



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Plastic recycle : Improved properties of recycle compound or product.

Do more Sustainability



Container: Provide high impact by maintain clarity and less stress whitening

Rethink **Recycle**  
Key Advantages

**VISTAMAXX**

Maintain Clarity

Anti Slip

Less Stress whitening

Toughness

Durability

Soft, Comfort touch

Food Compliance

Compatability

takiness

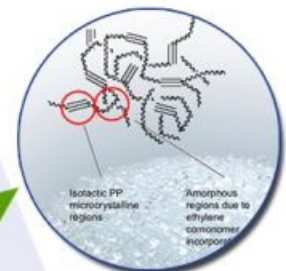
elasticity

sealability

adhesion

dispersion

filler loading



Vistamaxx propylene-based elastomer (VMX)



Cling film VMX : Provide takiness and improve cling with lower design level. Tough film and good optic



CPP & BOPP film need: faster packaging line speeds due to very low SIT and excellent hot tack. good optic and food contact compliance



CC mb: High loading and improve dispersion



Uniform color in end use application. More color strength and good dispersion



Hygiene : Elasticity, it's favor multi stretch cycle, Flexible, comfortable with softness

Tape extrusion



Weaving



Improve tenacity and higher elongation. Less tape breakage with higher filler loading

Extrusion coating / lamination



As tie layer of raffia with OPP, PET, CPP, paper. Coation layer on PP woven sack. It provide Good adhesion, low SIT and control COF



Woven sack

# 1 GENERAL INFORMATION

## General Information

Company Name	:	Global Connections Public Company Limited ("The company" or "GC")
Symbol	:	GC
Business	:	Distributing agent of plastic, petrochemical, and additive, which are used in petrochemical and plastic transformation process
Head Office	:	13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn, 10540, Thailand
Registration Number	:	0107548000153
Home Page	:	<a href="http://www.gc.co.th">http://www.gc.co.th</a>
Telephone	:	+66 (0) 2763 7999
Facsimile	:	+66 (0) 2763 7949, 2312 4880 - 1
Investor Relations	:	+66 (0) 2763 7999 Ext. 201 and 204
Date of establishment	:	27 September 1994
Date of registration Public Company	:	17 March 2005
Date of stock listed	:	6 December 2005
Juristic person that are being hold more than 10% of their paid-up capital	:	None
Registered (Paid Up) Capital	:	200,000,000 Baht
No. of Registered (Paid up)	:	200,000,000 Shares

## Name of Reference

Registrar	:	Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Dindang, Bangkok, 10400, Thailand Tel: +66 (0) 2009 9000 Fax: +66 (0) 2009 9991
Auditor	:	EY Office Limited 33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand Tel: +66 (0) 2264 0777 Fax: +66 (0) 2264 0789

**Important Information** : -None-



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## 2 FINANCIAL SUMMARY

	2017	2018	2019
<b>Financial Position (Million Baht)</b>			
Current Assets	1,119	1,154	1,054
Total Assets	1,242	1,268	1,185
Current Liabilities	784	808	698
Total Liabilities	797	817	707
Shareholder's Equity	445	451	478
<b>Operating Result (Million Baht)</b>			
Sales Revenue	3,727	3,660	3,610
Gross Profit	247	263	274
Operating Profit	126	124	154
Net Profit	90	86	115
Other Comprehensive Income	-	0.4	-
Total Other Comprehensive Income	90	86	115
<b>Financial Ratios</b>			
Return on Assets (%)	6.88	6.84	9.36
Return on Equity (%)	20.44	19.17	24.72
Net Profit Margin (%)	2.40	2.35	3.18
Current Ratio (Times)	1.43	1.43	1.51
Debt to Equity Ratio (Times)	1.79	1.81	1.48
Book Value per Share (Baht)	2.22	2.25	2.39
Profit per Share (Baht)	0.45	0.43	0.57

CHAIRMAN OF THE BOARD  
AND INDEPENDENT DIRECTOR  
Mr. Virah Mavichak





## Dear Shareholders,

The Board of Directors has set a vision for Global Connections Public Company Limited (GC) to be “Your best services for value creation in raw material supply” and formulated the company’s strategy to ensure it grows in the direction as planned.

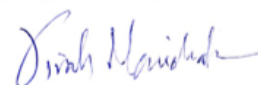
The year 2019 marked another year of GC’s solid foundation in the plastic and petrochemical industry despite economic volatility and falling oil prices. The company’s revenue stood at THB 3,623 million with net profit of THB 115 million. Successful implementation of a number of the company’s important strategies led to increasing production efficiency and effective risk management. Some of these strategies include;

- maintain the inventory at the optimal level to avoid diminishing value and obsolete products
- customer credit limited review scheme to reducing bad debts
- foreign exchange risk management
- continuous human capital development
- value co creation with partners for product innovation
- new strategic investment
- customer database development to further enhance business opportunity and to conduct business with social responsibility

All in all, the success in 2019 came from sound preparation along with the determination of the management and employees in running the business effectively under the supervision of the Board of the Directors.

The Board of Directors is proud to announce to the shareholders that alongside the success in 2019, the company has been rated by the Thai Institute of Directors (IOD) as “Excellent” in its corporate governance. The company also received investor relation award for a listed company with market capitalization under THB 3 billion in the SET Awards 2019. Such accomplishment should reinforce shareholders’ confidence that the company is conducting its business with transparency and places great importance in good governance by having appropriate check and balance system. Moreover, GC has been conducting its business with full consideration for its community and fairness to its stakeholders whilst building a learning organization, promoting innovation and supporting research and development with belief in sustainable growth and value creation.

On behalf of the board of directors of GC, I would like to express my deepest gratitude for your trust and support throughout. Importantly, the success of 2019 is down to shareholders, customers, suppliers, financial institutions, community, management team and every employee.



(Mr. Virah Mavichak)  
Chairman of the Board  
Global Connections Public Company Limited



**GLOBAL  
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## Your Best Services

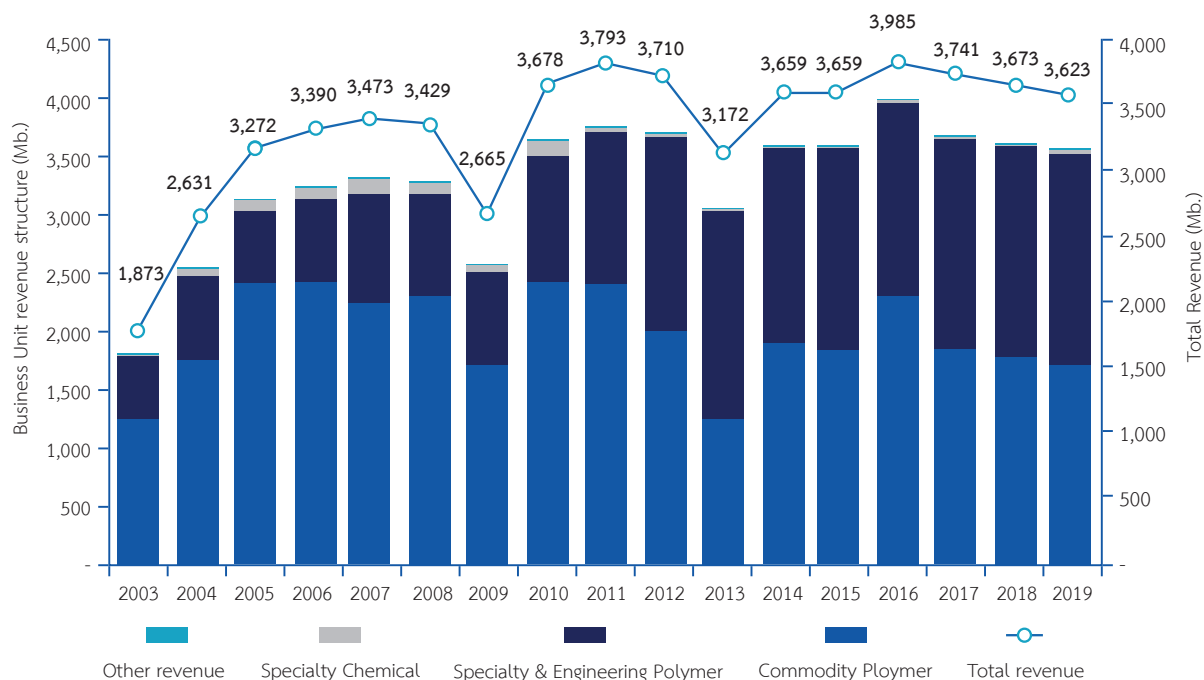
For Value Creation In Raw Material Supply

## 4 POLICY AND BUSINESS OVERVIEW

The Global Connections Public Company Limited (“The Company or GC”) is the distributing agent of plastic, petrochemical and additive, which are used in petrochemical and plastic transformation process. The Company is the distributing agent more than 30 companies such as GC Marketing Solutions Co., Ltd., (GCM) subsidiary of PTTGC and PTTGC as a subsidiary of PTT group who lead Energy and Petro Chemical business in Thailand. GC distribute polymer products from ExxonMobil Chemical, Eastman Chemical, DuPont Performance Specialty Products (Thailand) Limited, and Chi Mei Corporation etc. GC is considered to be the most variety petrochemical and plastic distributor in Thailand.

The Company was established on 27 September 1994 with initials registered capital of Baht 2 Million and began fully commercial on 1 April 1995 by founders who has 30 years of experiences in petrochemical industry. The knowledge and experience of founders coincided with the rapid emerging petrochemical industry in Thailand led to continuous growth.

Structure of Revenue during 2003 – 2019 (Unit : Million Baht)

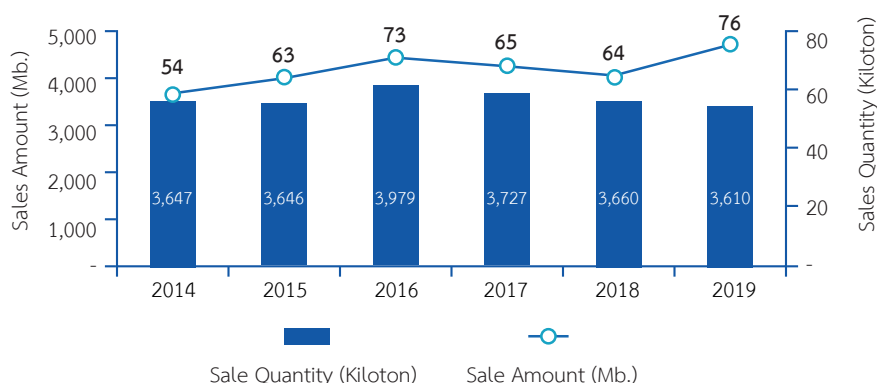


As per diagram above:

References: The Company's information

- In 2009, company had Baht 2,665 Million revenue, 22 percent decreased from Baht 3,429 Million in 2008 due to USA economic crisis and stock value's decline from crude oil price fluctuation.
- During 2012-2013, company's revenue decreased because we changed distributorship from SGC to PTT.
- In 2019, company's revenue decreased because trade war between USA and China affect oil price to decrease more than 25% due to reducing of plastic beads demand.

## Structure of Sales amount (Million Baht) and Quantity (Kiloton) during 2014 – 2019



References: The Company's information

In 2019, the company's sales amount was Baht 3,610 Million, decreased by Baht 50 Million from Baht 3,660 Million in 2018 or equivalent to 1 percent. Sales quantity in 2019 was 76 kiloton, increased by 12 kiloton from 64 kiloton in 2018 or equivalent to 19 percent. The main factor of sales amount decreasing is reduction of oil price which lead to lower plastic beads price. Increase of foreign supply also forces lower plastic beads price. However, sale quantities in 2019 was increased, compare with 2018 because the company expended customer base and kept the current customers. Moreover, factories who are affected by trade war were relocated to Thailand.

In 2020, domestic the main driver of Thai economy will come from government spending, monetary and more flexible fiscal policies. Eastern Economic Corridor (EEC) will also have positive effect on growth of Thai economy. However, in 2020, there are still challenging such as world economy slowing down, from trade war, fluctuating exchange rates uncertainty of private investment and tensions in the Middle East.

The company has 3 business units as follows;

1. Commodity Polymers
2. Specialty and Engineering Polymers
3. Specialty Chemical, Intermediate, and Additives

In 2019, the Company has revenue Baht 3,623 million combined from commodity polymer (B.U.1) 51 percent per annum (or Baht 1,838 Million), Specialty & Engineering Polymer (B.U.2) 48 percent per annum (or Baht 1,722 Million), Specialty Chemical, Intermediate, and Additive (B.U.3) 1 percent per annum (or Baht 50 Million) and others revenue 0 percent per annum (or Baht 13 Million), respectively.

The company's risks associated with bad debts, exchange rate, insufficient cash flow, and fluctuations in the price of goods in the world market. The company aware of these risks and we monitored them closely.

# Policy of the Company's operation or the Group according to the Board of Directors

## Vision of the business :

**“Your best services for value creation in raw material supply”**

The company recognizes the importance of a vision and goal both in short and long term, so that sets to the board of directors who reconsider and approve a vision, a goal, and all strategies on an annual basis. Moreover, they are responsible for following the company's performance that us the strategies and regulate the corporate governance in the right way according to the company's visions and main goal.

The Executive Committee is assigned to responsible for corporate governance then report the Company's performance to the Board of directors in every quarter or if any urgent issue shall respond immediately .

However, the Company arranges a management meeting in every month including manager level to Executive Director level for considering and setting a short-term and long term strategy to achieve a main goal. Following the performance, budget, technology, disclosure information policy, confidential management, managing financial liquidity and ability to pay, considering risk management and communicate the appropriate information to directors executives and employees for cultivate an attitude of corporate governance to become a corporate culture.

In board of directors meeting no. 5/2019 was held on 12 December 2019. The company presented a vision for re-consideration and a budget for the year 2020. The result of the board of directors approved the vision which are presented to encourage partnerships in value creation through innovation together with suppliers and customers and to be one-stop service agent who is the knowledge center, has any new technology knowledge from the leading manufacturers in the world, is technical consultant for production and marketing information. Moreover, the Company adheres to the alliance rule in doing business with customer, vendor, and finance institutions and emphasizes on mutual support for long-term by setting mission, strategy, target, and operation plan as follows;

## Mission :

- Determined to have ethics and no legal offense
- Determined to build sustainable growth of profitability and revenue
- Determined to continuously develop knowledge, skill and expertise of our staff in order to compete as market leader
- To be market leader and serve our customers as one stop shopping. We always add on new products, and world class suppliers)
- To continuously training staff for their expertise in the work
- To connect the best suppliers and deliver advanced technologies for customers' best value
- To improve internal innovation in order to increases sale amount or decreases expense or social and environmental-friendly.

## Company Strategy :

- Maintain existing strong market positioning and increase a share of market.
- Maintain a strong relationship with producers, customers, and finance institutions
- Provide professional and complete solutions
- To be a leader in advance technology products
- Expand business in our growth industry
- Develop product market and new working form the beginning
- Collect and manage customers information database effectively
- To develop the infrastructure in order to support digital marketing

## Company Strategy in 2020 : E-VCOP

- E** : **E**xpansion our Quality Sales Value, Customer base with optimal inventory level
- V** : **V**alue creation thru Innovation, Differentiation and Solution
- C** : **C**losely work with Customer and Supplier for data Integration
- O** : **O**peration Excellence
- P** : **P**eople motivation and Partnership



## Company Target :

### Business Target

- Professional organization with good corporate governance principles for the sake of the shareholders and stakeholders
- The Company emphasizes principles of systematic risk management especially bad debt of account receivables

### Revenue and Profit Target

- Keep the sustainable growth for revenue and profit. The Company expects to growth in sales quantity and gross profit margin at 8 percent per annum, The Company's target in long-term (3-5 years ago) is 5-8 percent per annum which expects to comply with GDP of Thailand.
- Manage costs efficiently and effectively

### Product Target

- Having a complete range of quality product from the best producer of the world or the biggest production capacity producer in order to consistent service for customers
- To increase products item and services/support products which can go along with current products such as additive or cooling tower cleaning solution service
- Research and develop product to enhance the effective of products and serve customer need
- Reduce slow move inventory

### Trading's Partner Target

- Focusing on responsible to customer needs rapidly in order to keep up with higher competitive level
- Reliance building with customer by good cooperation with suppliers as well as customers
- To build up reliance and respect to all stakeholders
- To strengthen existing customers base and expand customers in the manner of long term alliance
- Competition preparedness for the purpose of regional expansion

## Supplier and Financial Institute Target

- To build up relation and reliance with suppliers and financial institution in the manner of long term alliance that emphasizes on transparency, exact information disclosure and keeping up to date
- To reduce cost and increase efficiency of suppliers by total outsource solutions including sale, marketing, technical service and logistics
- Develop business with suppliers and financial institution for mutual achievement

## Operation plans :

- Maintain a customer base which has a good financial status, a business growth continuously, and a prospect in service value of the Company
- Increase market share and expand product line to prospect customer
- Searching for efficiency Producers, especially for Additive product to increase product and get good profit
- Creates S-curve project in order to develop new business including build on current business to creates new business and improve distribution methods.
- Create the project that improve the innovation to increases sale amount and decreases expense
- Increase supplier, partner and customer in our industry expertise
- Reducing cost in which is not benefit to increase company's productivity. Improve working performance and working capital management

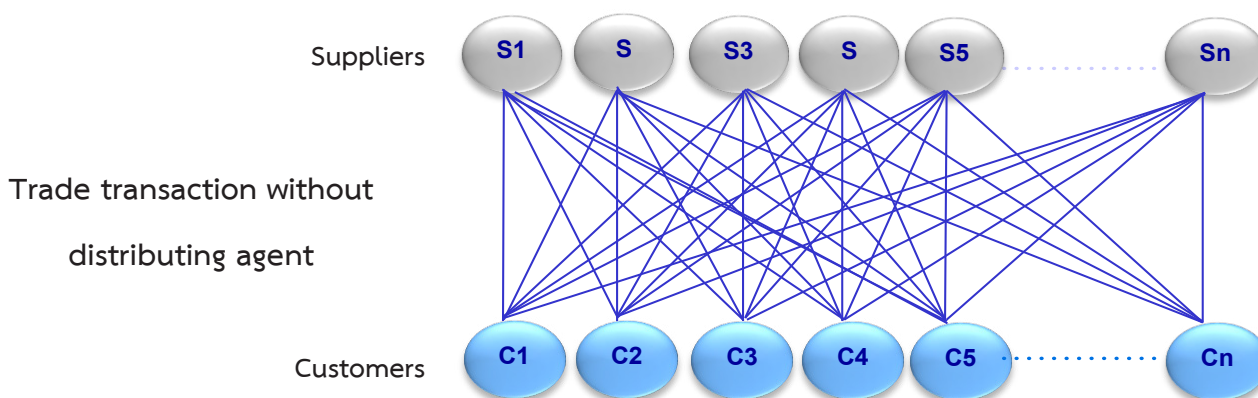
## 5 BUSINESS CHARACTERS

Global Connections Public Company Limited is the distributing agent of plastic, petrochemical, and additive which is used in petrochemical and plastic transformation process. The company is the distributing agent of more than 30 suppliers both local and foreign suppliers who are leaders in production capacity and technology. By this reason, the company is considered to be the best Thai distributor who can provide the most variety petrochemical and plastic to client (Source: the company's information). Most of our suppliers are the top 5 in production capacity in each category.

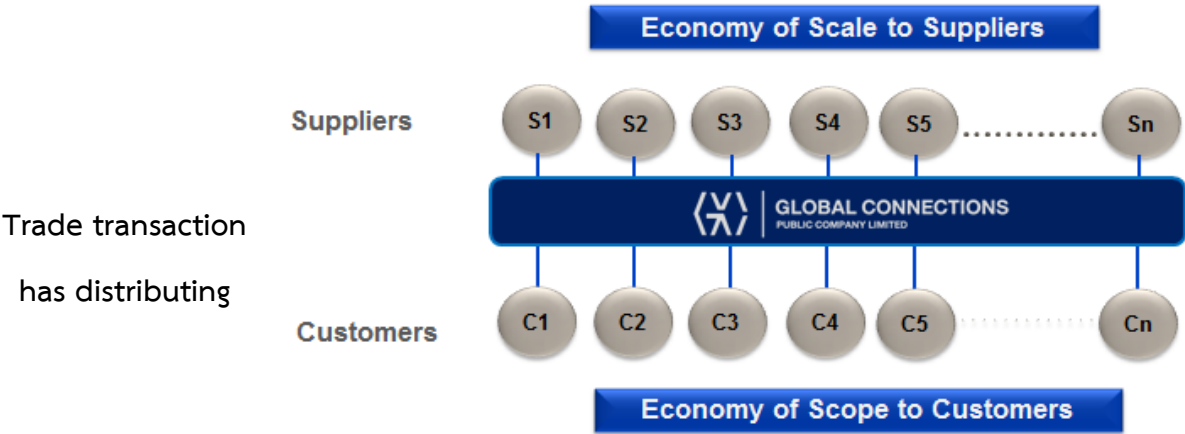
With over 2,500 customer base, we cover both plastic and rubber materials in various industries such as packaging, food packaging, cosmetic packaging and personal care product, automotive parts, electronic parts, home appliance, furniture parts, sports equipment, stationery, and toys etc.

### Role of Distributing Agent

In general, the large producers such as ExxonMobil Chemical, Eastman Chemical, and Chi Mei Corporation do not distribute their products by themselves because of the scatter location of end-users and having high costs of each trade transactions. Furthermore, end-users of plastic are mostly used the variety of plastic raw material in the production process. As end-users perspective, it is too complicated to directly buy each raw material from each producer. The picture below shows transaction without role of distributing agent. The era of rapid change, we have to work faster and smarter to serve our customers better.



The essential of distributing agents for petrochemical industry is to cover product ranges to serve the various needs of end-users/ customers, and to minimize logistic cost of each transaction. The company can deliver value added to both suppliers and customers by satisfy economy of scope to the number of customers/ end-users and satisfy economy of scale to big producers simultaneously



The picture shown above is our role and benefit as distributing agent in the industry.

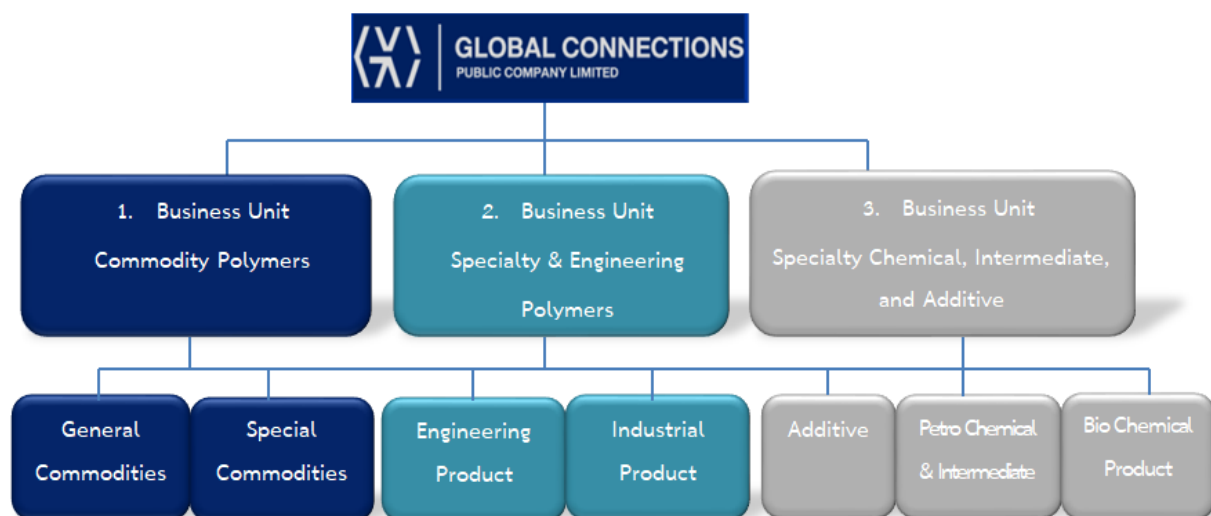
In addition, the barrier for new entry of petrochemical distributing agent is that the petrochemical producers usually appoint only one or two distributing agents in each country as general practice.

## 6 REVENUE STRUCTURE

Global Connections Public Company Limited has three main business units by products type as follows;

1. Business Unit 1: Commodity Polymers
2. Business Unit 2: Specialty and Engineering Polymers
3. Business Unit 3: Specialty Chemical, Intermediate, and Additive

### The Company's organization structure



The company's product included commodity polymers which are base raw material for converting plastic products. The specialty and engineering products require strength, durable, and other features suitable for each applications. Specialty chemical, intermediate and the additive product's special features such as anti-oxidation, UV-protection, Anti-Bacteria or electrostatic protection can create higher value for customers' products.

The company's products cover all manufacturing process in the petrochemical industry. In 2019, The company had total revenue of Baht 3,623 Million combined with commodity Polymer (B.U.1) 51 percent per annum (or Baht 1,838 Million), specialty & engineering polymer (B.U.2) 48 percent per annum (or Baht 1,722 Million), specialty chemical (B.U.3) 1 percent per annum (or Baht 50 Million) and from other income 0 percent per annum (or Baht 13 Million)

## The Company's Revenue Structures 2017-2019

Revenue Structure	2017		2018		2019	
	Amount (Million Baht)	%	Amount (Million Baht)	%	Amount (Million Baht)	%
Commodity Polymers	1,976	53	1,869	51	1,838	51
Specialty and Engineering Polymers	1,714	46	1,757	48	1,722	48
Specialty Chemical, Intermediate, and Additive	37	1	34	1	50	1
Total Sale Revenue	3,727	100	3,660	100	3,610	100
Other Income	14	-	13	-	13	-
<b>Total Revenue</b>	<b>3,741</b>	<b>100</b>	<b>3,673</b>	<b>100</b>	<b>3,623</b>	<b>100</b>
<b>Growth rate (%)</b>	<b>(6%)</b>		<b>(2%)</b>		<b>(1%)</b>	

### Remark:

Other Income included commission income from oversea suppliers, interest income, gain on foreign exchange, and on disposal of asset.



## 7 MAJOR CHANGES AND DEVELOPMENTS

### Company milestones

- 1994** The Company was established with initial registered capital to Baht 2 Million on 27 September 1994.
- 1996** The Company was appointed to be distributing agent of SCG Plastics Company Limited (Former name as “CCC Chemical Commerce Company Limited) by beginning as the seventeen ranking of SCG’s distributing agent. Moreover, the Company was appointed to be distributing agent of Eastman Chemical, which was the start point of the specialty product distribution and contact with multinational companies. After that, the Company increased its registered and paid-up capital to Baht 10 Million
- 1997** The Company increased its registered and paid-up capital to Baht 20 Million to support expansion of the Company.
- The Company was appointed to be distributing agent of DuPont Engineering Polymers (Current name as “DuPont Performance Polymers”), which is the world’s largest producer of POLYAMIDE 66 or NYLON 66. As well as appointed to be distributing agent of Chi Mei Corporation that is the world’s largest manufacturer of the ABS.
- 2000** The Company was appointed to be distributing agent of Advance Elastomer Systems (AES), presently acquainted by ExxonMobil, which is the world’s largest manufacturer of rubber compound (Thermoplastic Elastomer) PP.
- The Company expanded financial resources from three to six commercial banks enabling the Company to expand customers
- 2003** The Company increased its paid up capital to Baht 100 Million and moved its warehouse to Kingkaew road, which is the strategic location because this location is near customers, convenient transportation and save logistic cost from the domestic source at Map Ta Phut Industrial Estate or the imported goods through the deep sea port at Laemchabang.
- The Company was appointed to be distributing agent of Thai Plastic and Chemical Public Company Limited. (“TPC”) who is the largest manufacturer of PVC in Asian.
- 2004** The Company was appointed to be distributing agent of Rio Tinto Mineral Asia Pte. Ltd. and ExxonMobil Chemical who is the largest petrochemical producer in the world. The Company moved the head office to Kingkaew road to facilitate the operation.

- 2005** On 17 March 2005, the Company was transformed to “Global Connections Public Company Limited”.
- On 15 November 2005, the Stock Exchange of Thailand approved the Company’s common stock that was able to be sold investors and to be increased its paid-up capital to Baht 200 Million. then the Company was offered IPO (Initial Public Offering) and listed in “Petrochemical” section in the name of “GC” on 6 December 2005.
- 2006** On 14 February 2006, Mr. Chanitr Charnchainarong resigned from Director and Audit Committee of the Company to take a key positions in the Stock Exchange of Thailand. The Board of Directors has approved appointment Mr. Suchart Suphayak as Director, Audit Committee, and Independent Director, which was effected on 22 February 2006
- 2012** The Company and SCG Plastic Company Limited have agreed to cease the distributorship effectively and the Company jointly signed agency ceremony with GC Marketing Solutions Company Limited (GCM), a subsidiary of PTT group, on 1 July 2012.
- 2014** The Company was signed ceremony of cooperation on product and market development of new innovative Biodegradable and Environmentally friendly Product with Technogreen Company Limited on 31 March 2014. On this occasional will be as part of a sustainable business development to build environmental sustainability in to business process.
- On 9 September 2014, the Company has been granted privileges by the Board of Investment relating to business type 7.12 International Procurement Office (IPO) document no. 2109/2014.
- 2016** On 15 June 2016, the Company purchased solar photovoltaics (PV) rooftop project amounted to Baht 7 Million to be the asset which was installed capacity 114.35 kWp and the Company had the power purchase agreement (PPA) with Metropolitan Electricity Authority (MEA) 22 years as at 31 December 2016.
- 2017** On 10 November 2017, the Company received certificated membership of Collective Action Coalition Against Corruption (CAC) for supporting Competition Market which focus on price mechanism competing with price and quality of product and encourage for being a transparent corporation. The CAC is supported by Government and the National Anti-Corruption Commission (NACC). Set up by 8 leading corporations such as Thai Institute of Directors (IOD), the Foreign/Thai Chamber of commerce, Thai Listed Companies Association, Thai Bankers Association, Federation of Thai Capital Market Organizations, the Federation of Thai Industries, and the Tourism Council of Thailand.
- The Company has been rated “Excellent” from the Corporate Governance of Listed Companies

survey by the Thai Institute of Directors (IOD) and received “an Outstanding Investor Relations Award” for listed company worth less than Baht 3,000 Million in the Stock Exchange of Thailand (SET) for the year 2017.

## 2018

On 5<sup>th</sup> October 2018, the Company received an innovation organization award 2018 by being a corporate which continuously supports innovation for sustainable growth at EH 98, Bangkok International Trade & Exhibition Centre.

The Company has been rated “Excellent” from the Corporate Governance of Listed Companies survey by the Thai Institute of Directors (IOD) twice in a row in year 2017 and 2018.

## 2019

The Company has been rated “Excellent” from the Corporate Governance of Listed Companies survey by the Thai Institute of Directors (IOD) third since 2017.

Dr. Pisit Leeahtam requested to resign from Director, Chairman of Audit Committee, and Independent Director of the Company. The Board of Directors has appointed Mr. Chanitr Charnchainarong as Director, Audit Committee, Independent Director and Mr. Thanee Puttipunpluck as Chairman of Audit Committee effective on 9<sup>th</sup> August 2019.

The company received the Excellence Awards and was a nomination for the Investor Relations Awards for listed company worth less than 3,000 Million Baht in the SET Awards 2019 on 26<sup>th</sup> November 2019.

The company has created the Employee Joint Investment Program (EJIP) since 1 January 2019 to 31 December 2021.



**GLOBAL  
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PUBLIC COMPANY LIMITED



## Your Best Services

For Value Creation In Raw Material Supply

## 8 INDUSTRY AND COMPETITION

### 8.1 Competitions and Industrial Trend

#### 8.1.1 Plastic industry

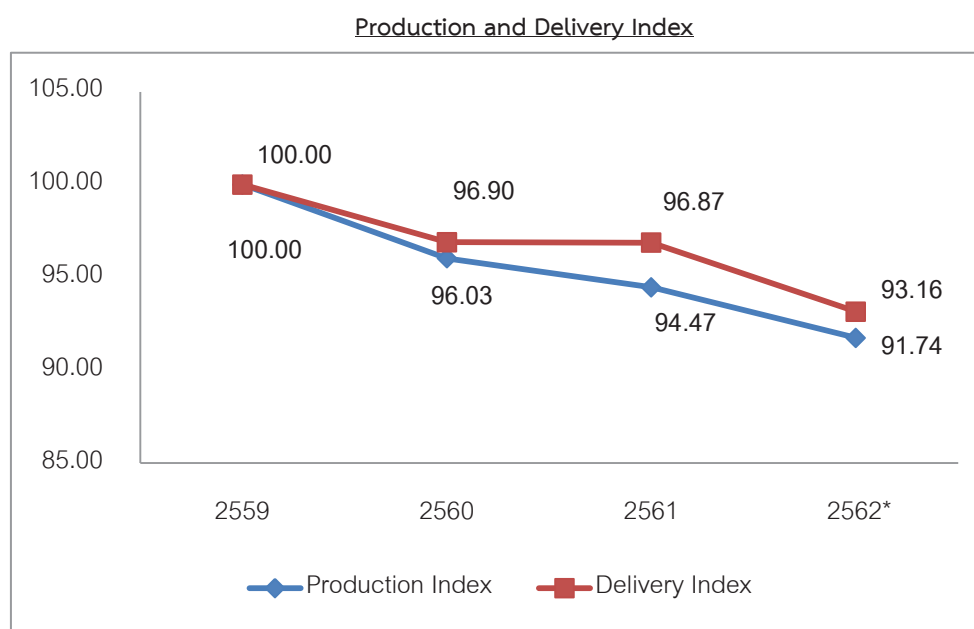
Plastic Industry Outlook for the year 2019 expects production index to decrease 2.89 percent export value to decrease 2.45 percent and import value to decrease 0.88 percent in which compare to 2018 due to the global economic slowdown and exchange rate (baht) appreciation.

#### Marketing and Distribution

- **Production and Delivery Index**

**Production Index** for the year 2019 expects to decrease 2.89 percent compare to the year 2018. The major product of the significant decrease are products on dining table, kitchen and lavatory, plastic sheets contracted and plastic sheet which as 15.10 , 11.61 and 10.61 percent, respectively.

**Delivery Index** for the year 2019 expects to decrease 3.83 percent compare to the year 2018 accepts products on plastic pipes and joints. The largest decline is dining table, kitchen and lavatory which as 14.76 percent decreased.



Source : The Customs Department, Ministry of Finance and the Office of Industrial Economics

Noted \*In 2019 was forecasted by the Office of Industrial Economics

- **Value of export and import plastic products**

**Value of export** for the year 2019, expects amounting to USD 4,229.63 Million decrease 2.32 percent compare to the year 2018 from export of single fiber (HS 3916), others made of plastic ( HS 3926) and sanitary ware (HS 3922) as 28.78 , 8.76 and 6.78 percent, respectively.

**Value of import** for the year 2019, expects amounting to USD 4,777.96 Million decrease 0.88 percent compare to the year 2018 from import of packing products (HS 3923) Sheets, thin film, foil and other strips Self-adhesive type (HS 3919) and Sheets, thin film, foil and other non-cellular strips (HS 3920) as 3.36 , 2.30 and 1.80 percent, respectively.

### **Trends of plastic industry in 2020**

Plastic industry in 2020 expects to expand about 1 – 2 percent. Value of export plastic products expects to expand about 3.5 - 4.5 percent compare to 2019. Expand slightly due to of government policy but still risk from the global economic slowdown, exchange rate (baht) appreciation and loss of GSP privileges.



## 8.1.2 Petrochemical Industry

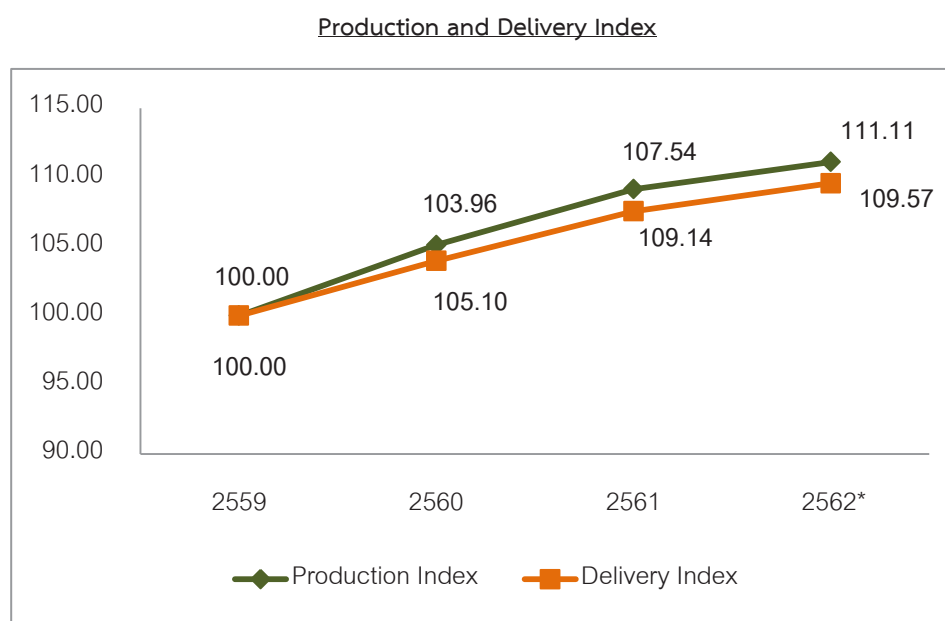
Petrochemical Industry in 2019 expects expand slightly compare to 2018. Production and Delivery Index increase 1.8 and 1.89 percent, respectively. Price and value of export pressured by trade war including the global economy recession.

### Marketing and Distribution

- **Production and Delivery Index**

**Production Index** for the year 2019, expects amounting to USD 111.11 Million increase 1.80 percent compare to the prior year (%YoY). The major product of the significant increase are manufacture of packaging and plastic products such as. PET resin, EPS resin, PS resin and PE resin.

**Delivery Index** for the year 2019, expects amounting to USD 109.57 Million increase 1.89 percent compare to the prior year (%YoY). The major product of the significant increase are manufacture of packaging and plastic products such as. SAN resin, PS resin, EPS resin and PET resin



Source : The Customs Department, Ministry of Finance

**Noted** \*In 2019 was forecasted by the Office of Industrial Economics

- **Value of Export and Import Petrochemical products**

**Export of Petrochemical** for the year 2019, total value of export expects to USD 11,923.78 Million, decrease 14.21 percent compare to the prior year (%YoY). The major product of the significant decrease are manufacture of packaging , plastic products and construction products such as. PE resin, PP resin and PC resin.

**Import of Petrochemical** for the year 2019, total value of import expects to USD 5,573.53 Million decrease 9.60 percent compare to the prior year (%YoY). The major product of the significant decrease are manufacture of packaging , plastic products synthetic rubber such as. PE resin, PP resin, BR rubber and SR rubber.

### **Trends of plastic industry in 2020**

In 2020, the petrochemical production index and value of export will expand 2 - 4 percent compare to 2019 due to the increasing demand for petrochemical products in ASEAN. including industrial expansion and government subsidy (New S-Curve) that focuses on investment in products with special features and high performance. Cause expansion of Petrochemical industry investment In Eastern Economic Corridor (EEC) by investing create value-added for the advanced petrochemical industry. which will be an important growth driver for the industry Petrochemicals in 2020.

## 9 RISK FACTORS

### 9.1 Risk of depending on key supplier or few suppliers

The proportion of trade goods in the past, a main supplier was a high proportion of 50-60 percent of the company's total purchase. In the later period, the company was terminated the role of distributor with effect some revenue and profit of the company. At that time, the company has risk assessment and provided supply replacement which reducing the impact to some extent.

The company had the highest purchase amount ordered by GC Marketing Solutions Company Limited which is a subsidiary of PTT Group as a portion of 33.7 percent from total amount of purchase in 2019 that was decreased from the past which rely on sales from major domestic suppliers only. As a result above from the company's risk management with distributed structure of sales to more diversify and looking for replacement supplier from multiple sources, both domestic and oversea with lower tariffs and competitive prices. Seen from the growth portion of sales volume from oversea supplier during the year 2015-2019 as of 42.9, 46.2 44.0, 41.6 and 44.10 percent, respectively.

#### Risk Response Measures

1. The company still remains diversify its product policy by expanding into a new market in many other industries as can be seen from the expansion into the rubber industry, automotive industry, packaging industry, petrochemical industry and additive industry.
2. The company is expanding about research and development unit to develop the product within the company's brand.
3. The company had contracted with many new suppliers to secure variety products from the existing suppliers to achieve the appropriate balance and enhance the competitiveness in the future.

### 9.2 Risk associated with the reliability on the officers

Most of the sales turnover derived from sales representatives, therefore sales volume has direct relationship with sales representatives. The company has risk associated with the reliability on sales representatives. If they resign, their clients may follow them that may cause the decrease of sales and profit especially commodity polymer. But selling of certain specialty products may need knowledge and expertise of sales representative and technical support from suppliers. If such sales representative resigns, the company may encounter problem only in short term because suppliers continue to support the company.

#### Risk Response Measures

1. The company has been dealing with clients for a long time and they are impressed by Company policy so it can reduce risk from losing the clients. The company's management has knowledge and expertise about all products
2. The company has regular customers visit to strengthen good relation between the company and the clients.
3. Two sales representatives are responsible for the client. If one representative resigns, the client still has another representative to help.
4. Continuous training policy therefore sales representative can be developed to replace continuously.
5. The company has good clients database therefore new sales representative can track existing clients easily.
6. The company is developing the Sales Support department to help sale representative for the agility process
7. When the customers of the clients approved the quality of specialty products, they shall not change to use other products unless they have necessary reason. In addition, a certain group of customers are tied up with our specialty products which cannot be changed easily making the company less dependent on sales representatives.
8. The company plans to develop a succession plan at all levels of management in order to strengthen the sustainability of the organization and long-term business growth.

### **9.3 Risk associated with bad debts of accounts receivable**

The company sells the goods in credit term mostly. Thus, if account receivable turns to be bad debt significantly, the company may encounter a financial liquidity risk and affect the company's profitability.

#### Risk Response Measures

1. The company has diversified customers and sales volume per client with value not exceed 5 percent of total sales in order to reduce risk.
2. The company had the policy to verify the clients' credit before providing credit to customers and closely follow up financial status as well as payment capacity of the customers. The company has setup the credit committee to consider the credit of the clients, both new and old ones and also set the credit approval system, which separate from sale department to control the Non-performing account receivable.
3. The company manages and transfers this kind of risk to trade credit insurance continuously since 2005. The insurance covers the bad debts of customers which had

been approved under conditions of the insurance company. The insurance company set insurance coverage of each client.

4. The company sets the doubtful debt allowance according to the risk of accounts receivable according to the past experience and the present status of the clients. Then the company compares the allowance for doubtful debt and insurance to verify if the company needs to reserve more doubtful debt allowance.

## 9.4 Risk associated with exchange rate

The company purchases goods from domestic and foreign suppliers. Almost specialty products were purchased from foreign suppliers in US Dollar. In 2019, the company imported products in foreign currency at 40 percent of its total purchase. If there is currency fluctuation of Thai Baht per US Dollar, it may affect the company's profitability.

### Risk Response Measures

1. The company follows the movement of the exchange rate of Thai Baht against US Dollar closely by asking the advice of the bank for decision making.
2. The company use financial instrument, buy or sell the forward contracts in advance to pay foreign account payable
3. The company has solid policy of no speculation on currency. The company must not buy the forward contracts without the trading obligations.
4. The company will set sales price by the exchange rate agreement contract with the clients in advance. By these reasons, the company can prevent a certain level of risk from foreign exchange rate.

## 9.5 Risk associated with insufficient cash flow

The company reserves sufficient inventory for delivery to the clients promptly couple with credit term to clients about 112 days which is longer than the credit term of suppliers of about 17 days. The company has to maintain a number of working capital for operation, which has cash cycle of 95 days. If sale of the company increases significantly, the company may need to find more of source capital, which is more costly than the financial cost at the present.

#### Risk Response Measures

1. At present, the company can purchase goods under credit period of 15 days with major suppliers such as GC Marketing Solutions Company Limited and can negotiate with the major suppliers to receive special long-term credit period which the company's working capital cost may increase from interest rate.
2. The company had credit facilities with many financial institutions. On 31 December 2019, the credit facilities are still available more than 78 percent of the total credit amount. The company had the stronger working capital status and the company's debt-to-equity ratio was 1.48 times as on 31 December 2019. Moreover, the company is likely to get the better conditions from the financial institutions due to the company's consistently good performance.

### **9.6 Risk associated with the fluctuations in the price of goods in the world market**

The company's product price mainly in the petrochemical industry and according to commodity which price fluctuates with demand and supply in the world market. This may lead the company to the risk. For example, company buys the goods at the high price and then the crude oil price the world market decline which negatively affected by a drop in price of petrochemical and plastic products in the end of 2014 until year 2015 which causes the company's profitability's lower or loss in some case.

#### Risk Response Measures

1. The company keeps inventory in the properly quantity. The company considers demand and supply trend, especially inventory has fluctuation of price
2. Monitor changing price from the global supplier's data, which is from upstream to downstream in the petrochemical industry.
3. The company receives special price from supplier to sell customers who order big volume in advance. This way can reduce the risk.
4. For specialties products are affected a little because the company can set the price, cost plus margin.

The company attempted to reduce quantity of inventory which is kept at warehouse but the company is distributor who has to keep appropriately inventory to serve the customers' demand under term of lead time. Thus, the risk cannot be avoided altogether but the company manages to have a little impact.

## 9.7 Risk associated with terminates the distributing agent contact

The period of distributing agent contracts are either yearly basis or two years basis which is normal practice in the petrochemical industry. Thus, the company may face the risk from termination of agent agreement if the company could not perform following the supplier's requirement i.e. cannot achieve the sales target or cannot maintain the required infrastructure.

### Risk Response Measures

1. The company has good performance continuously and also has many regular clients, including develop new client group in various industries which satisfy the manufacturers.
2. The company contacts and working with the producers closely to explain the progress of domestic sales and market development. Thus, the producers still renew the agreement although the company may not achieve the sales target because they understand the reasons.
3. The Executive Management had assessment risk factors and planning business operation to mitigate the risk continuously (every month) In some cases when business policies do not align with each other or the merger creates products duplication, the company may need to terminate from the role of distributor of some companies. For the SCG Plastics Company Limited in 2012 and BASF (Thailand) Company Limited in 2011, the company agreed to terminate the role as the distributor.

Terminated from SCG Plastic Company Limited on 30 June 2012 could directly effect to the company and the customers so the company simultaneously replaced SCG Plastic Company Limited with GC Marketing Solutions Company Limited a subsidiary Company of PTT Group on 1 July 2012. Although, it cannot replace all as can be seen from sales of Commodity group which was dropped from 2012 amounting to Baht 636 million or 31 percent of total sales. In 2014 until 2015, the company was able to adapt by expanding its customer base of Commodity Polymer group. The company had sales amount Million 1,900 Baht which it is close with sales of the SCG Plastic Company Limited in the past.

## 9.8 Risk from power of majority shareholders that hold over 50 percent of total shares

On 31 December 2019, there was no shareholder hold more than 25 percent of total shares. The company has no concern about majority shareholder control risk. However, for main shareholders are founder included Mr. Somchai Kulimakin, Mr. Sumruay Tichachol, Mr. Bhiya Jriyasetapong, and Mrs. Nisaporn Sirijantanan who hold 125,030,330 shares (including person under section 258) or represent 62.50 percent of total shares that was over than 50 percent of total shares. Therefore, founder group has majority vote in the company controlled whether director nominative or other matter that requires majority vote except some special matter is required by law or Company regulation that requires a two-thirds majority or a three-quarter majority. So, minority shareholders may not balance the power of founder group.

### Risk Response Measures

The founder group does not use voice voting for their benefit or advantage of the minority shareholders (Since 6 December 2005 until present.) Moreover, the company take care all shareholders who is founder group, major shareholder, or minority shareholder equally according with principles of good governance and ethical continuously.

## 9.9 Risk from changing of IT Technology and Internet Threats

Developing technology creates new innovations which promptly change and effects lifestyle and business operation. Trend of change is fast and continuous as you can see the change from Analog to Digital to Wireless can make an unlimited connection and for the corporation information security, there is changing from keeping inside company to outside by renting space called “Cloud Service” which has an increase capacity and use less money than before. However there still has risk from hackers threatening that may cause damage. It takes time to recover and disruptions to run business each day

### Risk Response Measures

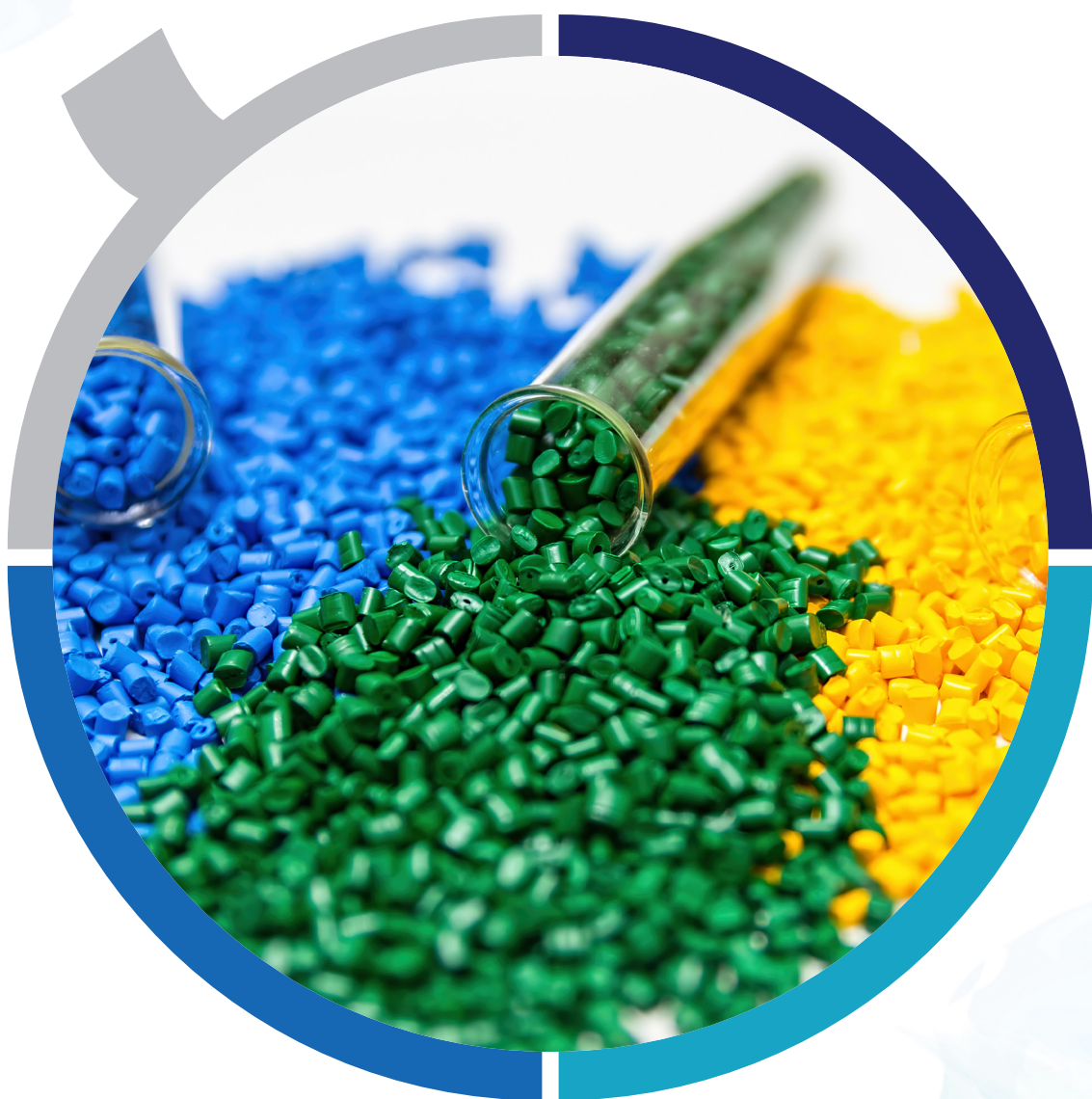
1. The company set the criteria to access data base in each section and level and reviews the right every year.
2. The company keeps the information and store the information with cloud service to ensure security of data.



3. The company use service from the standard company to store the data which have security certificated ISO/IEC 27001 :2013, information service and cloud solutions management ISO20000-1:2011 and security information base on best practice (Health Informatics) ISO27799 :2016 . This measures supports risk reduction from system attack.
4. The company has an investment in the efficiency upgrade firewall & Security system.
5. The company has Human Resource Development to help all employees adapt and respond proactively to a constantly technology changing and be aware to the information security.



**GLOBAL  
CONNECTIONS**  
PUBLIC COMPANY LIMITED



## Your Best Services

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## 10 SHAREHOLDER STRUCTURE & DIVIDEND POLICY

### 10.1 Amount of share capital and fully paid up

The company has registered share capital amounted to Baht 200 Million which issued 200 Million ordinary shares at par value Baht 1 and fully paid up amounted to Baht 200 Million.

### 10.2 Shareholder structure

#### 10.2.1 Major shareholders

##### 10.2.1.1 Top ten shareholders

Top ten shareholders comparing between 2018-2019, as of 31 December 2019 are detailed below

Shareholders' name	As of 31 December 2018		As of 31 December 2019		Change	
	No. of shares	% of paid up capital	No. of shares	% of paid up capital		
1) Mr. Somchai Kulimakin*	44,499,900	22.25%	44,499,900	22.25%	-	-
2) Mr. Sumruay Tichachol**	28,625,000	14.31%	28,625,000	14.31%	-	-
3) Mr. Bhiya Jriyasetapong	26,125,000	13.06%	26,125,000	13.06%	-	-
4) Mrs. Nisaporn Sirijuntanan	25,780,430	12.89%	25,780,430	12.89%	-	-
5) Mr. Somkiat Terdtultaveedeth	7,450,700	3.73%	7,450,700	3.73%	-	-
6) Ms. Pichamon Sirijuntanan	3,225,000	1.61%	3,225,000	1.61%	-	-
7) Mr. Porameth Pimanvorakul	1,762,200	0.88%	1,867,400	0.93%	105,200	5.97%
8) Ms. Nawaporn Jriyasetapong	1,582,600	0.79%	1,582,600	0.79%	-	-
9) Mr. Chanchai Rakthananon	1,208,800	0.60%	1,560,000	0.78%	351,200	29.05%
10) Mr. Pomchai Ratanatriphop	1,400,000	0.70%	1,400,000	0.70%	-	-
11) Mr. Witool Tienroongsr	1,600,000	0.80%	1,150,000	0.58%	(450,000)	(28.13%)
Others	56,740,370	28.37%	56,733,970	28.37%	6,400	(0.01%)
<b>Total</b>	<b>200,000,000</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>

Remark : Included related person, under section 258 of the Securities and Exchange Act B.E. 2535

\* Mrs. Boonsri Kulimakin, spouse who hold 100 shares

\*\* Mrs. Papatsawee Thichachol, spouse who hold 1,500,000 shares

##### 10.2.1.2 Strategic Shareholders -None-

**10.2.2 Holding company** -None-

**10.2.3 Shareholders' agreement** -None-

#### **10.2.4 Foreign shareholders as of 31 December 2019**

The company has three foreign shareholders who hold 492,300 shares or 0.25 percent of registered share capital that is paid up capital.

Remark : The company has a limitation on the percentage of equity shares held by foreign shareholders stated in the article of association no. 7 that the company equity shares are fully transferable unless those transferring will cause share of the company held by the foreign shareholders exceed the 49 percent of the company total shares, the company have the rights to reject those transactions.

**10.3 Issuing other securities** -None-

#### **10.4 Dividend policy**

The company has dividend policy which is paid at our target dividend payout ratio 40 percent of the company's net profit after deduction about taxation, legal reserve, and other reserve fund (if any). Unless, the company is required to maintain cashflow for use in its business

Description/year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Earning per share (Baht / Share)	0.40	0.39	0.35	0.24	0.40	0.46	0.45	0.43	0.57
Dividend per share (Baht / Share)	0.40	0.36	0.32	0.23	0.35	0.42	0.40	0.40	0.50
Dividend payout ratio (%)	99	94	91	96	88	90	89	93	87

# 11 THE BOARD OF DIRECTORS AND MANAGEMENT

## CHAIRMAN OF THE BOARD AND INDEPENDENT DIRECTOR

Mr. Virah Mavichak

Age : 76

Gender : Male

Percent of Shareholding : None



### Education Background

- Master degree (Chemical Engineering), University of Texas, USA
- Bachelor degree (Engineering), Chulalongkorn University

### Training Program

- Director Certification Program (DCP) Class 26/2003, Thai Institute of Directors (Thai-IOD)
- Role of the Chairman Program (RCP) Class 17/2007, Thai Institute of Directors (Thai-IOD)

### Training Program in 2019

-None-

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

2008 - Present	Chairman of the Board and Independent Director	Global Connections Public Company Limited
2004 - 2008	Chairman of Audit Committee	Global Connections Public Company Limited
2009 - Present	Independent Director	Srivichai Vejvivat Public Company Limited

#### Non-Listed Companies in the Stock Exchange of Thailand

2008 - 2011	The Senator	Senate of Thailand
2008 - 2009	Chairman of the Board	TPT Petrochemical Public Company Limited
2001 - 2003	Director-General	Department of Industrial Works
2000 - 2001	Deputy permanent secretary	The Permanent Secretary Office of Ministry of Industry
1998 - 2000	Chief of Inspector General	The Permanent Secretary Office of Ministry of Industry

**Appointed the First Director Date :** 17 March 2005

**Period :** 14 Years 10 Months



## CHAIRMAN OF THE AUDIT COMMITTEE AND INDEPENDENT DIRECTOR

Mr.Thanee Puttipunpluck

Age : 68

Gender : Male

Percent of Shareholding : None



### Education Background

- Bachelor degree (Civil Engineering), Chulalongkorn University

### Training Program

- Directors Certification Program (DCP) Class 229/2016, Thai Institute of Directors (Thai-IOD)

### Training Program in 2019

-None-

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

Aug 2019 - Present	Chairman of Audit Committee	Global Connections Public Company Limited
2016 - Present	Audit Committee	Global Connections Public Company Limited

#### Non-Listed Companies in the Stock Exchange of Thailand

2018 - Present	Director	The Federation of Thai Industries
2018 - Present	Director	Anti - Corruption Organization of Thailand

**Appointed the First Director Date :** 1 January 2016

**Period :** 4 Years - Month

# CHAIRMAN OF THE CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION, AUDIT COMMITTEE AND INDEPENDENT DIRECTOR

Mr. Suchart Suphayak

Age : 62

Gender : Male

Percent of Shareholding : None



## Education Background

- Master degree (Business Administration), Chulalongkorn University
- Bachelor degree (Accounting), Assumption University

## Training Program

- Director Certification Program (DCP) Class 72/2006, Thai Institute of Directors (Thai-IOD)
- Audit Committees Program (ACP) Class 14/2006, Thai Institute of Directors (Thai-IOD)
- Director Diploma Examination Class 20/2006, Thai Institute of Directors (Thai-IOD)

## Training Program in 2019

-None-

## EXPERIENCE

### Listed Companies in the Stock Exchange of Thailand

2008 - Present Chairman of the Corporate Governance, Global Connections Public Company Limited  
Nomination and Remuneration

2006 - Present Audit Committee Global Connections Public Company Limited

### Non-Listed Companies in the Stock Exchange of Thailand

2019 - Present	Director	Fill up Network Company Limited
2017 - Present	Chairman of the Audit Committee	Advance Power Conversion Company Limited
2011 - Present	Associate Judge	Juvenile and Family Court of Prachinburi
2014 - 2016	Executive Director	ITX Corporation Company Limited
2007 - 2013	Financial Advisor	Rerm Udom Sugar Factory Company Limited
2004 - 2006	Audit Committee	ADDA (Thailand) Public Company Limited
2004 - 2006	Audit Committee	Repax Construction Company Limited
2003 - 2004	Chief Financial Officer	Sammitr Motor Group Company Limited
1998 - 2003	Vice President	Kad Suan Kaew Company Limited

Appointed the First Director Date : 22 February 2006

Period : 13 Years 11 Months



## AUDIT COMMITTEE AND INDEPENDENT DIRECTOR

**Mr. Chanitr Charnchainarong**

Age : 56

Gender : Male

Percent of Shareholding : 100,000 Shares , 0.05%



### Education Background

- Master degree Electrical Engineering, Purdue University, USA
- Bachelor degree Electrical Engineering, Purdue University, USA
- Chartered Financial Analyst (CFA), CFA Institute สหรัฐอเมริกา (2544)

### Training Program

- Director Certification Program (DCP) Class 52/2004, Thai Institute of Directors (Thai-IOD)
- Senior Executives of Justice Administration, Class 19/2014, Office of the Judicial Training Institute
- Advanced Management Program (AMP), Class 185/2013, Harvard Business School, Harvard University, U.S.A.
- Public Economics Management for Executives, Class 9/2011, King Prajadhipok's Institute
- Capital Market Academy Leader Program, Class 2/2006, Capital Market Academy

### Training Program in 2019

-None-

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

Aug 2019 - Present	Independent Director	Global Connections Public Company Limited
2018 - Present	Chairman of Audit Committee and Independent Director	Northeast Rubber Public Company Limited
2015 - Present	Independent Director/ and Audit Committee	GMM Grammy Public Company Limited

#### Non-Listed Companies in the Stock Exchange of Thailand

2016 - Present	Independent Director	Strategic Property Investors Company Limited
2016 - Present	Senior Executive Vice President Development	Central Group Company Limited
2015 - Present	Chairman of Risk Oversight Committee and Independent Director	United Overseas Bank (Thai) Public Company Limited
2015 - Present	Corporate Advisor	Vnet Capital Company Limited
2015 - 2016	Council Member	Kasetsart University
2014 - 2016	Senior Executive Vice President	The Stock Exchange of Thailand
2006 - 2014	President	Market for Alternative Investment (MAI)

**Appointed the First Director Date : 9 August 2019**

**Period : 5 Months**



## VICE CHAIRMAN, CHAIRMAN OF EXECUTIVE COMMITTEE, AND AUTHORIZED DIRECTOR

Mr. Somchai Kulimakin

Age : 62

Gender : Male

Percent of Shareholding : 44,499,900 Shares (22.25%)  
(Included related person, under section 258)



### Education Background

- Bachelor degree (Business Administration), Assumption University

### Training Program

- CEO Networking 2016 : The 4 disciplines of execution, The Stock Exchange of Thailand and PacRim Group
- Capital Market Academy Leader Program 11/2010, Capital Market Academy
- Leadership and CEO Succession Planning 4/2006, Thai Institute of Directors (Thai-IOD)
- Director Certification Program (DCP) Class 62/2005, Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 2/2003, Thai Institute of Directors (Thai-IOD)

### Training Program in 2019

-None-

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

1995 - Present	Vice Chairman and Chairman of Executive Committee	Global Connections Public Company Limited
2013 - 2017	Corporate Governance, Nomination, and Remuneration Committee	Global Connections Public Company Limited

#### Non-Listed Companies in the Stock Exchange of Thailand

2013 - Mar. 2018	Director	Global Connections Holding Company Limited
1988 - 1995	Assistant Managing Director	Liack Seng Trading Company Limited
1985 - 1988	Assistant General Manager	Central Pacific (EX-IM) GmbH, Germany
1979 - 1985	Sales Manager	Metro Company Limited

**Appointed the First Director Date :** 17 March 2005

**Period :** 14 Years 10 Months

## DIRECTOR AND DIRECTOR OF THE CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION

Mr. Sumruay Tichachol

Age : 62

Gender : Male

Percent of Shareholding : 28,625,000 Shares (14.31%)  
(Included related person, under section 258)



### Education Background

- Bachelor degree (Economics), Thammasat University

### Training Program

- Asia IoT Business Platform 2560, Ministry of Digital Economy and Society.
- Driving Company Success with IT Governance (ITG) Class 3/2016, Thai Institute of Directors (Thai-IOD)
- Director Certification Program (DCP) Class 72/2006, Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 15/2005, Thai Institute of Directors (Thai-IOD)

### Training Program in 2019

-None-

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

2013 - Present	Member of the Corporate Governance, Nomination and Remuneration Committee	Global Connections Public Company Limited
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1995 - Present	Executive director	Global Connections Public Company Limited
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#### Non-Listed Companies in the Stock Exchange of Thailand

2013 - Mar. 2018	Director	Global Connections Holding Company Limited
1994 - 1996	Sales Representative	Siam Brother Import-Export Company Limited
1989 - 1994	Direct Sales Manager	Thai Polyethylene Company Limited
1986 - 1988	Sales Representative	Siam Cement Trading Company Limited
1981 - 1986	Sales Manager	Metro Company Limited
1980 - 1981	Officer	Bangkok Steel Industry Public Company Limited

**Appointed the First Director Date :** 17 March 2005

**Period :** 14 Years 10 Months



## DIRECTOR, DIRECTOR OF THE CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION

Mr. Bhiya Jriyasetapong

Age : 59

Gender : Male

Percent of Shareholding : 26,125,000 Shares (13.06%)



### Education Background

- Bachelor degree (Business Administration), Assumption University

### Training Program

- Director Certification Program (DCP) Class 69/2006, Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 15/2005, Thai Institute of Directors (Thai-IOD)
- Director Accreditation Program (DAP) Class 30/2004, Thai Institute of Directors (Thai-IOD)

### Training Program in 2019

-None-

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

2017 – Present	Member of the Corporate, Governance Nomination and Remuneration Committee	Global Connections Public Company Limited
1995 - Present	Executive director	Global Connections Public Company Limited

#### Non-Listed Companies in the Stock Exchange of Thailand

2013 - Mar. 2018	Director	Global Connections Holding Company Limited
1989 - 1995	Sales Manager	Liack Seng Trading Company Limited
1983 - 1989	Sales Manager	Metro Company Limited

Appointed the First Director Date : 17 March 2005

Period : 14 Years 10 Months

## Director

**Mrs. Nisaporn Sirijuntanang**

Age : 54

Gender : Female

Percent of Shareholding : 25,780,430 shares (12.89%)



### Education Background

- Bachelor Degree in Polymer Engineering, Rajamangala Institute of Technology

### Training Program

-None-

### Training Program in 2019

-None-

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

2018 - Present      Director      Global Connections Public Company Limited

#### Non-Listed Companies in the Stock Exchange of Thailand

2012 - Oct. 2018      Director      Integrity Plastics Co., Ltd.

1993 - 1995      Instructor      Engineering Faculty, Mahidol University

1987 - 1993      Scientist      Faculty of Environment and Resource Studies, Mahidol University

**Appointed the First Director Date :** 17 March 2005

**Period :** 1 Years 8 Months

## CHIEF FINANCIAL OFFICER

Ms. Vacharee Vutipornchai

Age : 53

Gender : Female

Percent of Shareholding : 143,870 Shares (0.07%)



### Education Background

- Bachelor degree (Accounting), Ramkhamhaeng University

### Training Program

- Krungsri Premier Learning : Digital Economy for Accounting Management 2018
- CVC : The new investment strategies Stimulate Innovation Bring up to date 2018
- Enhance Efficiency and Growth through Process Innovation 2018
- IT Future for Capital Market 2/2018 The Era of Artificial Intelligence : How will AI affect your industry 2018
- The impact of financial reporting standards TFRS9 to the risk management for business 2018
- IT Future for Capital Market 1/2018 “INNOVATION Towards Possibilities” 2018
- Risk Management 2017
- Financial management strategies 2017
- Technical analysis and risk management for investment projects In order to create value for the business sustainably 2017
- Crack your comfort zone 2017
- Financial for sales executive 2017
- Debt collection strategies, enable customers to return in the long run 2016
- Debt Collection Act B.E. 2558

### Training Program in 2019

- TFRS 9 and 16 Guidelines for Supervision and effect of Listed Companies
- Strategic Financial Leadership Program (SFLP)
- New lease agreement (TFRS 16)

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

2019 - Present	Chief Financial Global	Connections Public Company Limited
2016 - 2018	Vice President Finance and Accounting	Global Connections Public Company Limited
2003 - 2015	Financial and Accounting Senior Manager	Global Connections Public Company Limited

#### Non-Listed Companies in the Stock Exchange of Thailand

2002 - 2002	Accounting Senior Manager	Millennium Auto Company Limited
2001 - 2001	Financial and Accounting Manager	GlaxoSmithKline (Thailand) Company Limited
1995 - 2000	Senior Accounting	Block duck (Thailand) Company Limited



## Chief Executive Officer

Ms. Pornpimol Torpaiboon

Age : 46

Gender : Female

Percent of Shareholding : 57,790 Shares (0.03%)



### Education Background

- Master degree (Corporate Governance), Chulalongkorn University
- Master degree (Technology Management), Thammasat University
- Bachelor degree (Finance and Banking), Thammasat University

### Training Program

- Director Certification Program (DCP) 240/2017, Thai Institute of Directors (IOD)
- Executive Development Program (EDP) Class 6/2010, Thai Listed Companies Association
- Mini Certified Investment & Securities Analyst Program (Mini CISA) by Securities Analysts Association
- Board Reporting Program (BRP) 1/2009, The program emphasizes on enhancing the skills in prepare the data and information of meetings, Thai Institute of Directors (Thai-IOD)

### Training Program in 2019

- TLCA IR Conference 2019 Engaging your stakeholders through effective communications
- How to Transform Your Business to Become an Exponential Company in a Digital Era

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

2018 - Present	Chief Executive Officer	Global Connections Public Company Limited
2013 - Present	Vice President Logistics	Global Connections Public Company Limited
2005 - Present	Company Secretary and Investor Relations	Global Connections Public Company Limited

#### Non-Listed Companies in the Stock

2001 - 2005	Investment Banking Manager	SCMB Company Limited
-------------	----------------------------	----------------------

## Sales & Marketing Vice President

Ms. Patcharin Chartkun

Age : 39

Gender : Female

Percent of Shareholding : 89,758 Shares (0.04%)



### Education Background

- Master degree (Operations Management), NIDA
- Bachelor degree of Engineering (Petrochemicals and Polymeric Materials), Silpakorn University

### Training Program

- TLCA Executive Development Program (EDP) 15/2017
- Risk Management 2017
- Be Proactive : Leader Leading to Success 2017
- Crack your comfort zone 2017

### Training Program in 2019

-None-

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

2019 - Present	Sales & Marketing Vice President	Global Connections Public Company Limited
2013 - 2018	Sales & Marketing Senior Manager	Global Connections Public Company Limited

#### Non-Listed Companies in the Stock

-None-



## Business Support Vice President

Ms. Laddawan Likhitthanarak

Age : 47

Gender : Female

Percent of Shareholding : 134,250 Shares (0.07%)



### Education Background

- Master of Business Administration Program, Mahanakorn University of Technology
- Bachelor degree of Engineering (Plastic Technology), Rajamangala University of Technology Thanyaburi

### Training Program

- Risk Management 2017
- Be Proactive : Leader Leading to Success 2017
- Crack your comfort zone 2017
- Leadership 2016
- TLCA Executive Development Program (EDP) 14/2014

### Training Program in 2019

- Strategic Innovation Management Training Program 2019

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

2019 - Present	Business Support Vice President	Global Connections Public Company Limited
2010 - 2018	Business Support Senior Manager	Global Connections Public Company Limited
1997 - 2009	Sales Manager	Global Connections Public Company Limited

#### Non-Listed Companies in the Stock

2009 -2010	Sales Manager	Samsung Chemical Paint (Thailand) Company Limited
1995 - 1997	Research & Development	Thai Plastic and Chemicals Company Limited
1993 - 1995	Quality Control	Government Pharmaceutical Organization (GPO)

## Logistics Senior Manager

Ms. Aroonjit Treesittichate

Age : 43

Gender : Female

Percent of Shareholding : 77,666 Shares (0.04%)



### Education Background

- Bachelor degree (Technology for Rural Development), Thammasat University

### Training Program

- Process Innovation Management and Industry Transformation 2018
- Industrial Supply Chain Logistics Conference 2018
- Enhance Efficiency and Growth through Process Innovation 2018
- Strategy and Warehouse Management 2018
- Safety management from chemicals hazardous in factory 2018
- Move Warehouse & Logistics 2018
- Prepare to become “Logistician 4.0” 2018
- Smart Logistics – A Digital Transformation Event 2017

### Training Program in 2019

- ESG Investment Forum 2019
- Fundamentals for Company Secretary 2019
- Engaging your stakeholders through effective communications 2019
- Fundamentals for Investor Relations 2019
- Set Portal/Strategic Shareholders/FSCOM 2019
- Preparation of the AGM 2019
- Smart Disclosure Program (SDP) 2019

### EXPERIENCE

#### Listed Companies in the Stock Exchange of Thailand

2019 - Present	Logistics Senior Manager	Global Connections Public Company Limited
2001 - 2018	Logistics Manager	Global Connections Public Company Limited

#### Non-Listed Companies in the Stock

1998 - 2000	Coordinator	Kentec Technology Company Limited
-------------	-------------	-----------------------------------





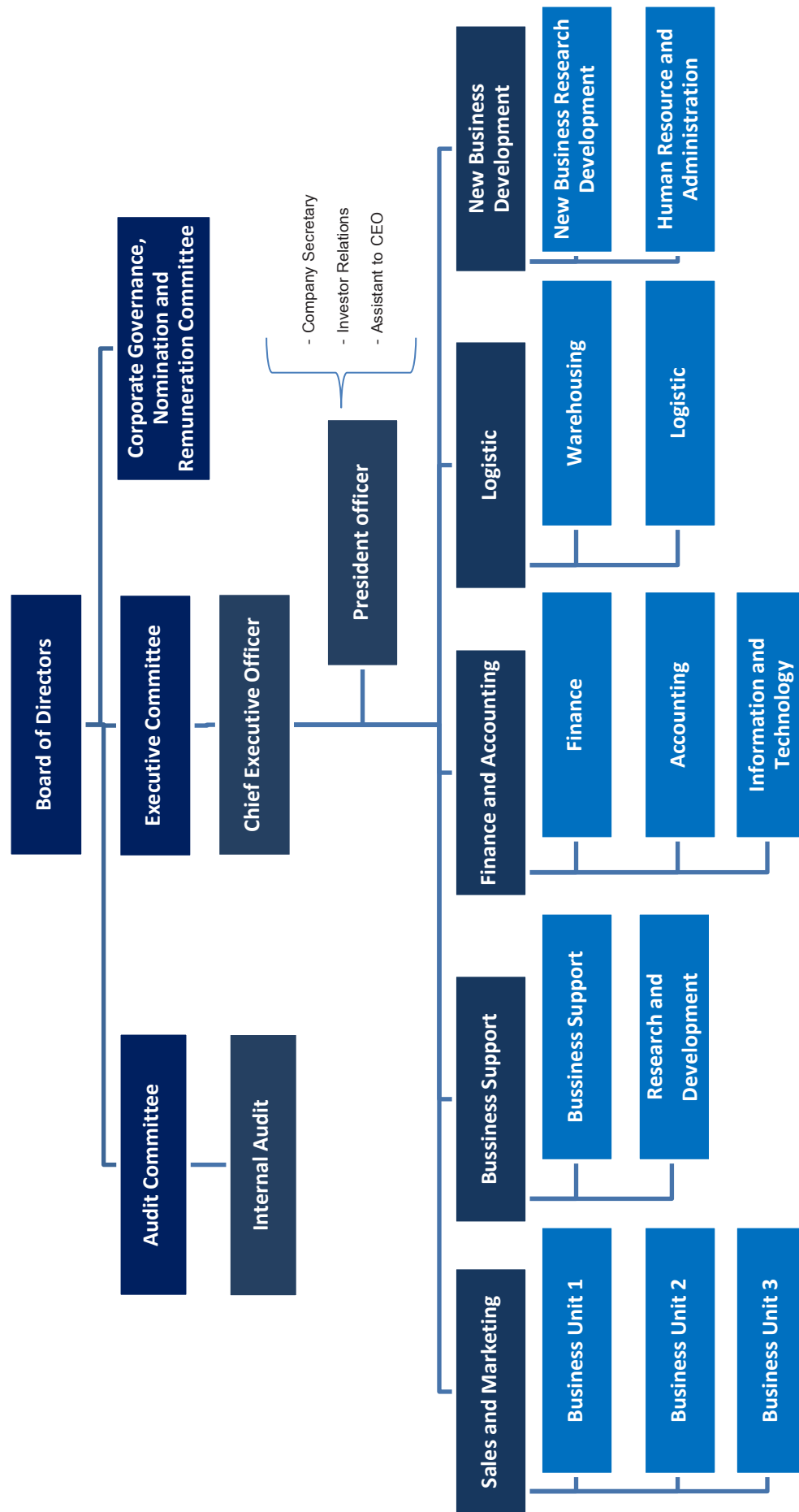
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# 12 ORGANIZATION CHART AS OF 31 DECEMBER 2019





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## 13 MANAGEMENT STRUCTURE

### 13.1 Board of Directors

Management structure of the company has 4 committees included the Board of Directors, the Executive Committee, the Audit Committee, and the Corporate Governance, Nomination and Remuneration Committee. Details as the followings

As at 31 December 2018 and 2019, the Board of Directors included 8 persons as follows ;

Directors' name	Position	Attendance/ Number of Meeting for Board of Directors	
		2018	2019
1 Mr. Virah Mavichak	Chairman of the Board and Independent Director	6/6	5/5
2 Dr. Pisit Leeahtam	Chairman of Audit Committee, Director, and Independent Director	6/6	2/2**
3 Mr. Thanee Puttipunpluck	Director, Chairman of Audit Committee, and Independent Director	4/6	5/5
4 Mr. Suchart Suphayak	Chairman of the Corporate Governance, Nomination and Remuneration, Director, Audit Committee, and Independent Director	6/6	5/5
5 Mr. Chanitr Charnchainarong	Director, Audit Committee, and Independent Director	-	3/3**
6 Mr. Somchai Kulimakin	Vice Chairman of the Board	6/6	5/5
7 Mr. Sumruay Tichachol	Director and the Corporate Governance, Nomination and Remuneration Committee	6/6	5/5
8 Mr. Bhiya Jriyasetapong	Director and the Corporate Governance, Nomination and Remuneration Committee	6/6	5/5
9 Mrs. Nisaporn Sirijuntanan	Director	4/4*	5/5

Remark

\*By approval in the Board of directors Meeting No 3/2018 on 7 May 2018 has resolved to appoint Mrs Nisaporn Sirijuntanan as director replacing Mr. Aikachai Sirijuntanan effective on 7 May 2018.

\*\*By approval in the Board of directors Meeting No 3/2019 on 9 August 2019. The Board of Directors has resolved to appoint Mr. Chanitr Charnchainarong as director replacing Dr. Pisit Leeahtam who resigns as director, independent director and Chairman of Audit Committee since 17 July 2019. Effective on 9 August 2019.

The Board of Directors consists of the Non-Executive Directors and Independent Directors 4 persons as follows ;

- |                         |                                |
|-------------------------|--------------------------------|
| 1. Mr. Virah Mavichak   | 2. Mr. Thanee Puttipunpluck    |
| 3. Mr. Suchart Suphayak | 4. Mr. Chanitr Charnchainarong |



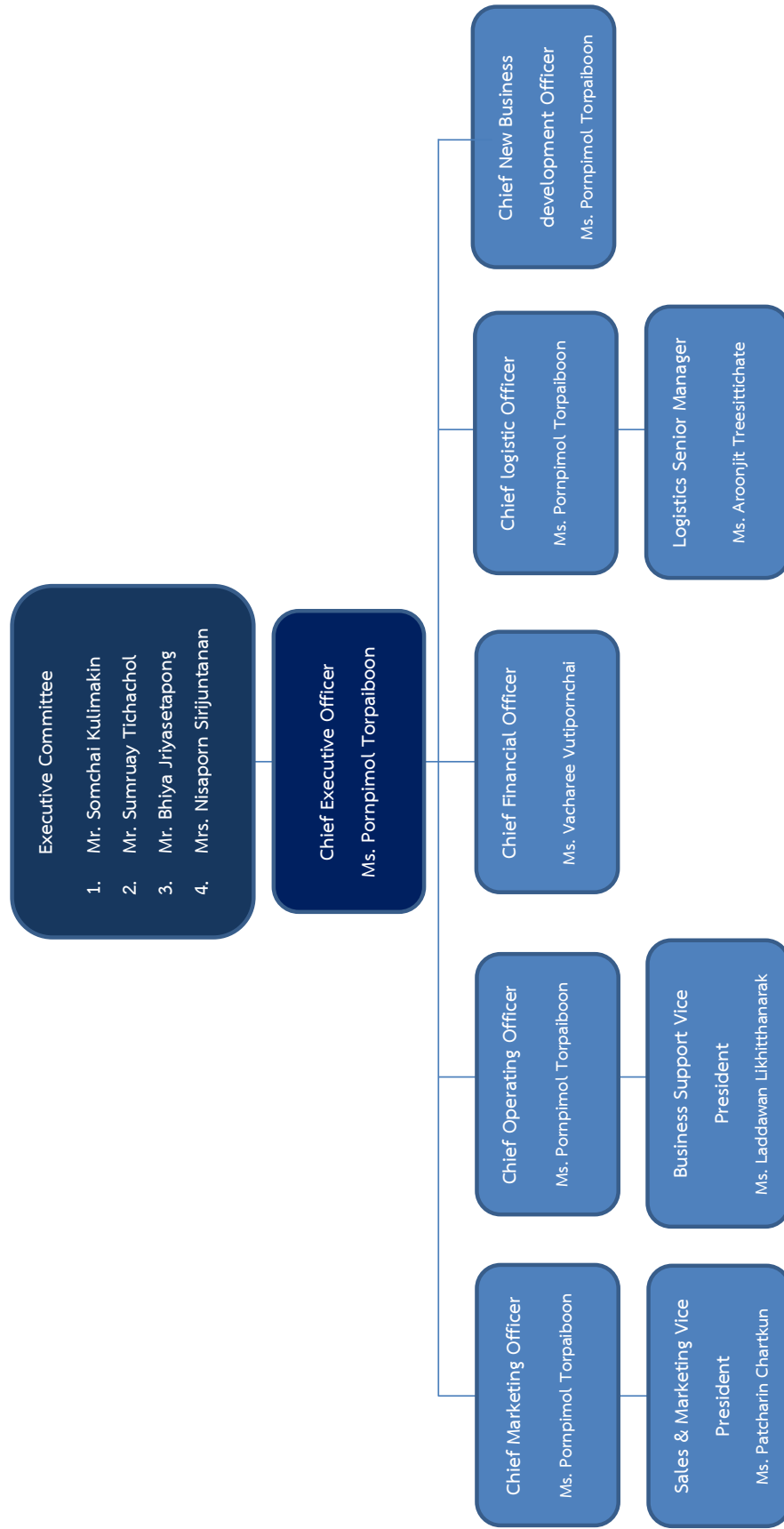
## 13.2 Management

As at 31 December 2019, the management included 9 persons as follows ;

- |                                |                                  |
|--------------------------------|----------------------------------|
| 1. Mr. Somchai Kulimakin       | Chairman of Executive Committee  |
| 2. Mr. Sumruay Tichachol       | Executive Director               |
| 3. Mr. Bhiya Jriyasetapong     | Executive Director               |
| 4. Mrs. Nisaporn Sirijuntanan  | Executive Director               |
| 5. Ms. Pornpimol Torpaiboon    | Chief Executive Officer          |
| 6. Ms. Vacharee Vutipornchai   | Chief Financial Officer          |
| 7. Ms. Patcharin Chartkun      | Sales & Marketing Vice President |
| 8. Ms. Laddawan Likhitthanarak | Business Support Vice President  |
| 9. Ms. Aroonjit Treesittichate | Logistics Senior Manager         |



### 13.2.1 Management organization chart as of 31 December 2019



### 13.2.2 Statement of change in shareholdings of directors and management executive

Name	Holding type	31-Dec-18	Purchase	Disposal/ Transfer out	31-Dec-19
<b>Mr. Virah Mavichak</b>	<b>(Total)</b>	-	-	-	-
Mr. Virah Mavichak	Direct	-	-	-	-
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Thanee Puttipunpluck</b>	<b>(Total)</b>	-	-	-	-
Mr. Thanee Puttipunpluck	Direct	-	-	-	-
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Dr. Pisit Leeahtam</b>	<b>(Total)</b>	-	-	-	-
Dr. Pisit Leeahtam	Direct	-	-	-	-
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Suchart Suphayak</b>	<b>(Total)</b>	-	-	-	-
Mr. Suchart Suphayak	Direct	-	-	-	-
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Chanitr Charnchainarong *</b>	<b>(Total)</b>	100,000	-	-	100,000
Mr. Chanitr Charnchainarong	Direct	100,000	-	-	100,000
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mr. Somchai Kulimakin</b>	<b>(Total)</b>	44,499,900	-	-	44,499,900
Mr. Somchai Kulimakin	Direct	44,499,800	-	-	44,499,800
Shares held by spouse and minors	Indirect	100	-	-	100
<b>Mr. Sumruay Tichachol</b>	<b>(Total)</b>	28,625,000	-	-	28,625,000
Mr. Sumruay Tichachol	Direct	27,125,000	-	-	27,125,000
Shares held by spouse and minors	Indirect	1,500,000	-	-	1,500,000
<b>Mr. Bhiya Jriyasetapong</b>	<b>(Total)</b>	26,125,000	-	-	26,125,000
Mr. Bhiya Jriyasetapong	Direct	26,125,000	-	-	26,125,000
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Mrs. Nisaporn Sirijuntanan</b>	<b>(Total)</b>	25,780,430	-	-	25,780,430
Mrs. Nisaporn Sirijuntanan	Direct	25,780,430	-	-	25,780,430
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Ms. Pornpimol Torpaiboon</b>	<b>(Total)</b>	5,000	52,790	-	57,790
Ms. Pornpimol Torpaiboon	Direct	5,000	52,790	-	57,790
Shares held by spouse and minors	Indirect	-	-	-	-

Name	Holding type	31-Dec-18	Purchase	Disposal/ Transfer out	31-Dec-19
<b>Ms. Vacharee Vutipornchai</b>	<b>(Total)</b>	<b>100,000</b>	<b>43,870</b>	<b>-</b>	<b>143,870</b>
Ms. Vacharee Vutipornchai	Direct	100,000	43,870	-	143,870
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Ms. Patcharin Chartkun **</b>	<b>(Total)</b>	<b>60,000</b>	<b>29,758</b>	<b>-</b>	<b>89,758</b>
Ms. Patcharin Chartkun	Direct	60,000	29,758	-	89,758
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Ms. Laddawan Likhiththanarak **</b>	<b>(Total)</b>	<b>100,200</b>	<b>34,050</b>	<b>-</b>	<b>134,250</b>
Ms. Laddawan Likhiththanarak	Direct	100,200	34,050	-	134,250
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Ms. Aroonjit Treesittichate **</b>	<b>(Total)</b>	<b>57,000</b>	<b>20,666</b>	<b>-</b>	<b>77,666</b>
Ms. Aroonjit Treesittichate	Direct	57,000	20,666	-	77,666
Shares held by spouse and minors	Indirect	-	-	-	-
<b>Total</b>		<b>125,452,530</b>	<b>181,134</b>	<b>-</b>	<b>125,633,664</b>

Remark

\* By approval in the Board of directors Meeting No 3/2019 on 9 August 2019. The Board of Directors has resolved to appoint Mr. Chanitr Charnchainarong as director replacing Dr. Pisit Leeahtam who resigns as director, independent director and Chairman of Audit Committee since 17 July 2019. Effective on 9 August 2019.

\*\* Ms. Patcharin Chartkun as Sales & Marketing Vice President, Ms. Laddawan Likhiththanarak as Business Support Vice President and Ms. Aroonjit Treesittichate as Logistics Senior Manager since 1 January 2019.

### 13.3 Company Secretary and The person supervising accounting (Chief Accountant)

The Board of directors has appointed Ms. Pornpimol Torpaiboon as company secretary effective on 13 May 2008. Mrs. Pravishya Hansakul is supervising accounting (Chief Accountant).

## 13.4 Remuneration for the Board of Directors and Executive Directors

### 13.4.1. Monetary remuneration

#### 13.4.1.1 Remuneration for the Board of Directors

##### Remuneration in meeting allowance according to the number of attendance

For the years ended 31 December 2018 and 2019, the company has held the meeting and paid the remuneration as meeting allowances as follows ;

## Attendance to the meeting

Directors' name	Position	Number of Attendance at the Board of Directors Meeting		Number of Attendance at the Audit Committee Meeting		Number of Attendance at the Corporate Governance, Nomination and Remuneration Meeting	
		2018	2019	2018	2019	2018	2019
1 Mr. Virah Mavichak	Chairman of the Board and Independent Director	6/6	5/5	-	-	-	-
2 Dr. Pisit Leeahtam **	Chairman of Audit Committee, Director, and Independent Director	6/6	2/2	4/4	2/2	-	-
3 Mr. Thanee Puttipunpluck ***	Director, Chairman of Audit Committee, and Independent Director	4/6	5/5	3/4	4/4	-	-
4 Mr. Suchart Suphayak	Chairman of the Corporate Governance, Nomination and Remuneration, Director, Audit Committee, and Independent Director	6/6	5/5	4/4	4/4	2/2	2/2
5 Mr. Chanitr Charnchainarong **	Director, Audit Committee, and Independent Director	-	3/3	-	1/1	-	-
6 Mr. Somchai Kulimakin	Vice Chairman	6/6	5/5	-	-	-	-
7 Mr. Sumruay Tichachol	Director and the Corporate Governance, Nomination and Remuneration Committee	6/6	5/5	-	-	2/2	2/2
8 Mr. Bhiya Jriyasetapong	Director and the Corporate Governance, Nomination and Remuneration Committee	6/6	5/5	-	-	2/2	2/2
9 Mr. Nisaporn Sirijuntanan **	Director	4/4*	5/5	-	-	-	-

### Remark

\* By approval in the Board of directors Meeting No 3/2018 on 7 May 2018 has resolved to appoint Mrs Nisaporn Sirijuntanan as director replacing Mr. Aikachai Sirijuntanan effective on May 7th, 2018.

\*\*By approval in the Board of directors Meeting No 3/2019 on 9 August 2019. The Board of Directors has resolved to appoint Mr. Chanitr Charnchainarong as director replacing Dr. Pisit Leeahtam who resigns as director, independent director and Chairman of Audit Committee since 17 July 2019. Effective on 9 August 2019.

\*\*\* By approval in the Board of directors Meeting No 3/2019 on 9 August 2019. The Board of Directors has resolved to appoint Mr. Thanee Puttipunpluck as Chairman of Audit Committee replacing Dr. Pisit Leeahtam effective on 9 August 2019.

## Attendance to the meeting (%)

Directors' name	Position	Number of Attendance at the Board of Directors Meeting		Number of Attendance at the Audit Committee Meeting		Number of Attendance at the Corporate Governance, Nomination and Remuneration Meeting	
		2561	2562	2561	2562	2561	2562
1 Mr. Virah Mavichak	Chairman of the Board and Independent Director	100	100	-	-	-	-
2 Dr. Pisit Leeahtam **	Chairman of Audit Committee, Director, and Independent Director	100	100	100	100	-	-
3 Mr. Thanee Puttipunpluck ***	Director, Chairman of Audit Committee, and Independent Director	67	100	75	100	-	-
4 Mr. Suchart Suphayak	Director Chairman of the Corporate Governance, Nomination and Remuneration, Director, Audit Committee, and Independent Director	100	100	100	100	100	100
5 Mr. Chanitr Chamchainarong **	Director, Audit Committee, and Independent Director	-	100	-	100	-	-
6 Mr. Somchai Kulimakin	Vice Chairman	100	100	-	-	-	-
7 Mr. Sumruay Tichachol	Director and the Corporate Governance, Nomination and Remuneration Committee	100	100	-	-	100	100
8 Mr. Bhiya Jriyasetapong	Director and the Corporate Governance, Nomination and Remuneration Committee	100	100	-	-	100	100
9 Mr. Nisaporn Sirijuntanan**	Director	100	100	-	-	-	-

## Meeting Fee

For the year ended 31 December 2018 and 2019									
Directors' name	Position	Board of Directors Meeting fee (Baht)		Audit Committee Meeting fee (Baht)		Corporate Governance, Nomination and Remuneration Committee Meeting fee (Baht)		Total	
		2018	2019	2018	2019	2018	2019	2018	2019
Non-Executive Directors									
1 Mr. Virah Mavichak	Chairman of the Board and Independent Director	300,000	250,000	-	-	-	-	300,000	250,000
2 Dr. Pisit Leeahtam	Chairman of Audit Committee, Director, and Independent Director	120,000	40,000	80,000	40,000	-	-	200,000	80,000
3 Mr. Thanee Puttipunpluck	Director, Chairman of Audit Committee, and Independent Director	60,000	90,000	45,000	65,000	-	-	105,000	155,000
4 Mr. Suchart Suphayak	Chairman of the Corporate Governance, Nomination and Remuneration, Director, Audit Committee, and Independent Director	90,000	75,000	60,000	60,000	30,000	30,000	180,000	165,000
5 Mr. Chanitr Chamchainarong*	Director, Audit Committee, and Independent Director	-	45,000	-	15,000	-	-	-	60,000
Executive Directors									
6 Mr. Somchai Kulimakin	Vice Chairman	120,000	100,000	-	-	-	-	120,000	100,000
7 Mr. Sumruay Tichachol	Director and the Corporate Governance, Nomination and Remuneration Committee	90,000	75,000	-	-	20,000	20,000	110,000	95,000
8 Mr. Bhiya Jriyasetapong	Director and the Corporate Governance, Nomination and Remuneration Committee	90,000	75,000	-	-	20,000	20,000	110,000	95,000
9 Mrs. Nisaporn Sirijuntanan	Director	60,000	75,000	-	-	-	-	60,000	75,000
Total		930,000	825,000	185,000	180,000	70,000	70,000	1,185,000	1,075,000

### **Monthly remuneration**

The company pays only 4 independent directors, amounting to Baht 1,380,000 in 2018 and Baht 1,366,000 in 2019.

### **Bonus remuneration**

The company allocates bonus to 8 directors, amounting to Baht 1,725,000 in 2018 and 2,309,000 Baht in 2019.

### **Other remunerations for the Board of directors -None-**

In order that, the company allocates monetary remuneration to the Board of Directors in the amount which was not more than Baht 5,000,000 per year for the year 2018 and 2019 according to the shareholder's meeting approved.

## **13.4.1.2 Remuneration for the management**

### **Remuneration in the form of salaries and bonuses**

The company paid the remuneration to 7 persons in the amount of Baht 17.25 Million in 2018 and 9 persons in the amount of Baht 24.32 Million in 2019.

## **13.4.2 Non-Monetary Remuneration**

### **Other monetary remuneration for the management**

The company's contribution to the provident fund for the management Baht 1.06 Million in 2018 and Baht 0.77 Million in 2019.

The company provides vehicle allowance\*\* to the management level totaled Baht 1.04 Million in 2018 and Baht 2.24 Million in 2019.

The company has supported car allowance\*\* and basic welfare such as a health insurance, dental, and health check-up.

Remark :

\*\* The company allows the management to choose car allowance or vehicle expense.

### 13.4.3 Policy and remuneration

#### 13.4.3.1 Policy remuneration for the the directors and management

The Board of directors assigns the Nomination and Remuneration Committee to consider compensation of the director. The directors' remuneration should be comparable with similar industry and take into account the performance of the company based on the policy that set by the company's Board of directors in both long-term and short term such as salary, annual bonus and Long-term Reward in conjunction with the performance of the company and each individual director.

The Board has appointed the Nomination and Remuneration Committee to consider the guidelines for the compensation of GC's Board of Directors and members of the committees to propose to the Board. The compensation criteria are:

1) The compensation is divided into three portions, monthly pay meeting allowance and bonus (no other compensation or benefits in other forms, either monetary or non-monetary, are to be paid to the directors).

2) The compensation is based on the responsibilities and performance of the directors and GC's performance, and it should be comparable to peer companies with a comparable size and business risks to attract directors whose qualifications suit GC's businesses to be its director.

3) The scopes of work and assigned responsibilities of the directors and sub-committee members are also considered.

The compensation of the Board and subcommittee members must be approved by the shareholders' meeting. The 2019 Annual General Meeting held on April 5, 2019



## 13.5 Human resource

### Number of employees and Remuneration

As of 31 December 2019, the company had employees total 135 persons, included permanent employee 109 persons and blue-collar worker 26 persons classified by department as follows :

Department	Number of employee (Person) as of 31 December	
	2561	2562
1. Management	7	9
2. Sales and marketing*	30	34
3. Logistics and warehousing	30	25
4. Financial and accounting	13	14
5. Business support	11	21
6. Administration and others	9	6
7. Logistic (Blue-collar worker))	25	26
<b>Total</b>	<b>125</b>	<b>135</b>

**Remark**

\* The number of employees in 2018 have been adjusted to be in line with the year 2019 due to restructure.

### Remuneration for the year 2018 and 2019 as follows ;

Remuneration (Million Baht)	2018	2019
Salary	54.14	55.38
Wage - Blue collar worker	4.76	4.84
Bonus	10.84	14.31
Provident fund	2.90	2.60
Others such as vehicle allowance, living cost, overtime, food allowance for blue collar worker EJIP etc.	13.21	16.20
Compensation	1.26	2.71
<b>Total</b>	<b>87.12</b>	<b>96.04</b>

Besides monetary remuneration, the company has other benefit such as car allowance for employee in some position.

## Regulation of employee's welfare

The company recognizes that employees are family members, so that provides a better welfare than the minimum requirements of the government regulations, whether basic requirements, training and development, work-life balance, and retirement plan.

Detail of employee benefit as follows ;

- Basic welfare such as living cost, medical expense, dental care, uniform, assistance in case of a natural disaster or funeral support (father, mother, spouse, or children of employee), home loan, marriage, maternity, annual health check-up, and vehicle benefit in some positions - sales staff etc.
- Training and development such as a scholarship, in-house and public training, visiting foreign country, a gift to motivate for develop English skill - employees have TOEIC 700 scores, which the company will raise the salary Baht 1,000 per month.
- Work-Life balance such as a recreation room (entertainment room), fitness center, sports sponsorship (yoga, badminton, football), birthday leave, annual leave 6-12 days, and a special leave (visiting maternity leave for husband, take leave to ordain as a monk) etc.
- Reward gift included 2 categories as follows;
  - 1) Gift for employees who work 10 years and 15 years with the company
  - 2) Retirement gift, such as provident fund and retirement benefit
- Employee Joint Investment Program (EJIP) The Board of Directors Meeting No. 5/2561 held on 7th November 2018 has passed the resolution to approve the Employee Joint Investment Program Year 2019 -2021. The program creates for employee executive and board of the company by investing in the company shares in each month by using Dollar Cost Average method and willingness to participate in accordance with the company rules join EJIP at the participants choose rate of the basic salary

## Provident fund

The company and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 on 1 January 2000. Both employees and the company contributed to the fund monthly at the rate of 4 to 15 percent of basic salary. It will be paid to employees upon termination in accordance with the fund rules.

Moreover, the company emphasizes and supports employees to save money for retirement by giving an opportunity to save more money (Not over 15 percent of salary) into the provident fund account which is effective in 2017

The company allows employees to choose the investment policy in provident fund by themselves (“Employee’s Choices”) based on own risk and return on investment.

The company has 4 schemes of investment policy as follows ;

1. Bond/Debenture Policy which investments in Thailand and Foreign countries
2. Equity Instrument Policy
3. Mixed Policy (90:10)
4. Bond/Debenture Policy which investments in Thailand

### **13.6 Labor dispute**

The company has no a labor dispute since its founding because the Board of directors adheres to the law and regulation strictly.

In addition, the company provides welfare is better than a law and regulations because the company recognizes employees’ happiness as well as its sustainability



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# 14 CORPORATE GOVERNANCE

## 14.1 Corporate Governance Policy

The Board of directors has put a lot of emphasis on the corporate governance (“CG”) in the belief that the CG is a system manages to have operation processes, a structure of leadership, and the responsibility to maintain transparency and competitiveness in order to maintain its capital and to increase shareholder value in the long-term under the framework of good ethics and taking into account other stakeholders and society

In order to build the business growth continuously and to create the trust to investors and stakeholders, the Board of directors had assigned management to regulate the company’s vision, mission, objective, CG policy, code of conduct, employee manual, business strategic direction, business plan, budget, information technology development, disclose policy, confidentiality management which is effected to GC stock price, financial liquidity and debt capacity, and sustainable operation management. All such information is appointed the executive director proposes to the Board of directors for consideration and debate prior to mutual agreement and approval. CG policy is announced and used in the management and the Board of directors has continuously been taking the CG seriously since the adoption of the policy to raise the standard of the company and to conform to the best practices of 2012 as required by the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand.

After announced the policy, the Board of directors has assigned the executive management to monitor evaluate and report on performance (including practice) annually. For those principle that had not regulate or practice yet, the managements would report to the Corporate Governance, the Nomination, and Remuneration Committee for reconsider annually before present to the Board of directors

In 2019, the company received awards and assessments related to good corporate governance activities as follows:

- ❑ The company received an “Excellent” accomplishment in the Corporate Governance Report of Thai Listed Companies (CGR) for the year ended 2019 which was assessed by Thai Institute of Directors (IOD)

- ❑ The company received 98 scores in AGM assessment for the year ended 2019 which was assessed by Thai investor association
- ❑ The company received the Excellence Awards and was a nomination for the Investor Relations Awards for listed company worth less than 3,000 Million Baht in the SET Awards 2019 on 26th November 2019.

## 14.2 Board of directors and Sub-committee

### 14.2.1 Board of directors structure

Shareholders appoint the Board of directors and a management structure which is comprised with 3 committees as follows;

1. The Executive Committee
2. The Audit Committee
3. The Corporate Governance, Nomination and Remuneration Committee

Structure, authorization, and responsibilities of the Board of directors and Sub-committees as follows ;

#### 14.2.1.1 The Board of directors

Member of the Board of directors are 8 persons as of 31 December 2018 as follows ;

1. Mr. Virah            Mavichak            Chairman of the Board and Independent Director
2. Mr. Thanee        Puttipunpluck        Chairman of Audit Committee and Independent Director
3. Mr. Suchart        Suphayak            Member of Audit Committee and Independent Director
4. Mr. Chanitr Charnchainarong\* Member of Audit Committee and Independent Director
5. Mr. Somchai Kulimakin            Vice of Chairman
6. Mr. Sumruay Tichachol            Director
7. Mr. Bhiya            Jriyasetapong        Director
8. Mrs. Nipaporn Sirijuntanan        Director

Remark\* By approval in the Board of directors Meeting No 3/2019 on 9 August 2019. The Board of Directors has resolved to appoint Mr. Chanitr Charnchainarong as director replacing Dr. Pisit Leeahtam effective on 9 August 2019.



Secretary to the Board of directors is Ms. Pornpimol Torpaiboon

All Members of the Board of directors are no forbidden as follows

- Never dishonestly committed an offence against property.
- Never entered into any transaction which may cause conflicts of interest against the company during the year.

The name(s) of authorized directors to sign on behalf of the company comprises 4 persons as follows;

1. Mr. Somchai Kulimakin
2. Mr. Sumruay Tichachol
3. Mr. Bhiya Jriyasetapong
4. Mrs. Nipporn Sirijuntanan

Two of forth of these directors have the power of Attorney signed with Company stamp.

#### Principle of the board of directors

- ❑ Number of the directors is about 5 – 12 people (as appropriate)
- ❑ The board should have diversity qualifications such as skill, experience, education background, ability and special talent.
- ❑ The board should have at least 1 non executive director who has experience in the business industry
- ❑ The Number of executive directors and non – executive director is suitable which the non executive directors can freely expressed opinions about the executive work.
- ❑ The chairman of the board should be independent director and not the same person as Chief Executive Officer: CEO of the company.
- ❑ The Independent directors must have the right qualifications accordance with The Securities and Exchange Commission of Thailand and Stock Exchange of Thailand rules.

Authorities, duties, and responsibilities of the Board of directors as follows;

1. To authorize in management, approved and operation business in accordance with the laws and principles to ensure that objective, strategies in short and long-term and/or annual, directions, financial and liquidity management, risk management, information technology management, security of technology system and creating an innovation to achieve objectives and main goals of the company. In addition, the Board of directors responsible to exercise and monitor executives including a Chief Executive Officer (CEO) and the Executive Committee to the proper performance of their duties
2. To shall regulate the overall management to comply with the Corporate Governance Policy for efficiency practice of directors executives and all employees and responsible to shareholders ensure the accuracy and completeness of the information disclosures e.g. Code of business conduct, Anti-corruption policy, Practice towards the stakeholders, Fair Operating Practices, Human Rights, Society and environment responsibility in regard to a well-known reporting form, disclose important information and reflect practice that lead to add sustainable value of the company, confidentiality system/the control of internal information Follow consider the connected transactions of conflicts of transactions, Reporting conflicts of interest by regulate executives to perform their duties as assigned.
3. To manage the company's financial reporting process to ensure accuracy, adequate disclosure, in time and according to the related law and practice by regulation to a Chief Financial Officer (CFO), an accountant, an internal auditor, a company secretary and an investor relation staff.
4. To manage the executive for designate a person or department to perform the "investor relations or IR" function to communicate with outsiders appropriately and timely such as shareholders, institutional investors, individual investors, analysts, or related government agencies.
5. To encourage shareholders to exercise their rights to make decisions on any significant corporate changes.
6. To follow the human resource management in accordance with vision and mission of the company by increasing a knowledge, an ability, a proper retention, receiving a fair

operating practices to member of the Board, a Chief Executive Officer, the management, and employees for retaining efficiency personnel of the company.

7. To set up a provident fund for employees to have adequate retirement saving and encourage them to enhance knowledge about financial management, selection of provident fund employee's choice based on age, expected return and risk appetite. By regulate the executive to practice as their duties.
8. To promote continuous development and education of the Chief Executive Officer and key executive that is relevant to their roles and to ensure that development and succession plan for the Chief Executive Officer and key executive in place. Assign the Corporate Governance, Nomination, and Remuneration Committee to report the succession plan to the Board of directors at least once a year
9. To regulate all members of Board to have enough time and practice as their duties and is able to access information in respect of matters. Moreover, to ensure that a company secretary had adequate knowledge and experience to support the Board of directors.
10. To regulate the nomination and selection of a member of the Board in a transparent and clear manner. In order to obtain qualified a directors in accordance with the composition of the Board as stipulated.
11. To review the charter, structure which is size and composition, proportion of independent directors, and role/responsibility in every year to appropriate and achieve to the objective and goals of the company.
12. To determine the efficiency remuneration and performance assessment as following :
  - Board of directors  
The Corporate Governance, Nomination and Remuneration Committee considers in the first step before proposes to the Board of directors. After that, the Board considers a structure and remuneration which appropriate to their responsibilities and to motivate them to lead the company to achieve both short and long-term goals.
  - Chief Executive Officer  
To assign the Corporate Governance, Nomination and Remuneration Committee sets evaluation criteria and responsible for assessment and consider a

compensation and assign the Chairman of Executive Committee to communicate result and any addition improvement issues to the Chief Executive Officer annually.

All this must be assigned to the directors, sub-committee which is relate to the task, and/or the management who has privilege to operate under the Board of duties excepting for the approval of the shareholders' meeting such as ;

1. On matters that require approval by shareholder meetings
2. Regulations require a shareholders' approval for certain transaction (including conflict-of-interest transactions and material transactions)

The decision on whether the director has a conflict of interest with the company or its subsidiaries, will not able to vote on such matter.

Authorities, duties, and responsibilities of the Chairman of the Board as follows ;

1. To regulate the Board of directors to perform their duties efficiently, and achieve in objectives and goal of the company.
2. To encourage knowledge of ethics and policies to directors, executive, and employees and practice into the company's ethics culture and corporate governance.
3. To strengthen good corporate governance standards to the Board of directors
4. To appoint the Board of directors meeting, supervising delivery of the meeting invitation letter and other related documents and ensure that the Board of directors receive such documents which are information to support adequate and timely. Moreover, performing as the Chairman of the Board meeting.
5. To be the Chairman who controls the shareholders' meeting to comply with the regulations and the agenda
6. To be the conductor who controls the effective communication between directors and shareholders.
7. Strengthen the good relationship between the Board of directors and Executives.
8. Performing the duties prescribed by law, especially the duty of the Chairman.

### Meetings of the Board of directors

Directors should attend the Board of directors' meeting regularly to receive information and joint decision about the matters of business operation. The meeting are held at least five times per year which is determined the schedule meetings in advance and is informed all directors in the early of the year for planning. Moreover, there may be additional meetings to consider urgent matters.

The Chairman of the Board and the Chief Executive Officer jointly set and consider the meeting agenda of the Board. However, directors are able to present other matters or ideas as the agenda.

In 2019, there are five meeting of the Board of directors and the directors attended the meeting average at 100 percent. Each director attended the meeting average 80 percent of total number of meeting. The company submits documents for the meeting to each director advance 7 days before the meeting in order for directors review and study such documents

In consideration of each agenda, the Chairman of the Board has duty to allocate sufficient meeting time and give opportunity to directors in order to express their opinions. For resolution of the meeting, the company holds the majority vote which is one person one vote and directors who have conflict of interest will not attend the meeting. If the votes are equal, the Chairman of the meeting shall have one more vote as a casting vote.

The Chief Executive Director will join to the Board of directors meeting to give helpful information and acknowledge policy for efficiency work except for some meeting which especially for the Board of directors or Non-Executive directors to be free to consider matters.

In addition, the Board of directors emphasizes the management of the conflict of interest of the related parties carefully, fairly and transparently, and fully discloses the information on such matters. The Board determines to directors have to inform their related transactions with the company at least one time in the year and record information in the minute of the Board. If there is a case where any director has an interest in the subject matter which is considered, the director shall not participate in making decisions and vote on the matter.

The guidelines for the directors have to report the related transactions with the company at the 3 following time periods as follows ;

1. The first appointment to be the directors which should inform their conflicts of interest.

2. Directors have to inform their conflicts of interest annually or changing.

3. Directors have to inform their conflicts of interest prior to the consideration agenda which the director is not independent and has related transactions with the matter.

The director shall refrain from participating in such agenda.

The company records the conflict of interest/ the related transactions in the minute of the Board.

At the end of the meeting, the secretary of the Board has duty to write a meeting minute and propose to the Board of directors for an approval in the second agenda of the next meeting then the Chairman of the Board certified true copy. So that the directors can express opinions and modify a meeting minute and the final approved the Board meeting minutes should be kept securely in the office.

Furthermore, Non-Executive directors should be able to meet, as necessary, among themselves without the management team which should be held at least 5 times. In 2019 there were held 5 times and at the end of the meeting, the secretary of the Board has duty to write a meeting minute and propose to the Non-Executive directors for an approval in the second agenda of the next meeting then the Chairman of the Non-Executive certified true copy.

For Non-Executive directors meeting minutes, the company always makes copies and sends to the directors and the Chief Executive Officer.



## 14.2.1.2 Sub-committees

### 14.2.1.2.1 The Executive Committee

Members of the Executive Committee are 4 persons as of 31 December 2019 as follows;

1. Mr. Somchai Kulimakin      Chairman of Executive Committee
2. Mr. Sumruay Tichachol      Executive Committee
3. Mr. Bhiya Jriyasetapong      Executive Committee
4. Mrs. Nisaporn Sirijuntanan      Executive Committee

All Members of the Executive Committee are no forbidden as follows

- ❑ Never dishonestly committed an offence against property.
- ❑ Never entered into any transaction which may cause conflicts of interest against the company during the year.

Authorities, duties, and responsibilities of the Executive Committee as follows ;

1. To determine policies, directions, strategies, work plans, annual budget plan, organizational structure, management structure of major-lines and sub-lines for business process to be consistent with the economic situation and market competition. After that, proposes to the Board of directors for consideration and approval.
2. To follow the implementation of policies, directions, strategies, work plan, management plan to major- lines and sub-lines to be effective and conducive to the business operation.
3. To define risk management policy in accordance with the goal of the company. The executive will review the policy annually and consider risk assessment including external and internal factor, together with evaluating the level of risk opportunity, impact, risks rating, providing risk management plan by corporate with the Internal Audit department. The significant risks are strategies, operational, financial, and regulatory compliance.
4. To monitor and evaluate the effectiveness of risk management annually and the result shall be submitted to the Audit Committee and the Board of directors, respectively.

5. To take consideration for approval of auctions/hire of work, commitment contracts period 1-3 years, expenses, special remuneration for employees including bonus, salary/wages increase, investment, financial sources for acquisition of fixed assets/ equity, or debt obligations for refinance the outstanding liabilities under the better terms and conditions with the budget scope which is not exceed Baht 150 Million and/or accordance with the budget which approved by the Board of directors
6. To report any performances to the Board of directors at least once a year and if there are any urgent issues, can report immediately.
7. To recruit or dismiss the company's employees in management level excluding the Chief Executive Officer and Executives serving as directors.
8. To sign the withdrawal from the bank account of the company in accordance with the conditions and limits authorized which are assigned by the Board of directors.
9. To perform other duties which are assigned by the Board of directors.

However, the Executive Committee may delegate to management level for approving of one or more financial matters under the authorized as may be deemed appropriated by the Executive Committee.

The assignment is under the law and regulation of the company. In case, there is benefit in the operation process or having conflict of interest of the Executive director(s) or other parties (according to the Notification of the SEC), The Executive director(s) or the parties are not entitled to cast the vote for such matter in the Board of directors

Any transactions which are a relation transaction or the receiving or disposal assets of the company or a subsidiary (according to the Notification of SEC), are approved from the Shareholders' meeting and/or in accordance with the rules/principles prescribed in such notification and to be consistent of the SET.

#### Meetings of the Executive Committee

The Executive directors should attend the Executive Committee meeting on a monthly basis which is set a schedule meeting in advance and is informed to the Executive early in the year, to acknowledge the performance, result of credit management, risk assessment of the company, finding the solution of problem issues in the past month, adjusting working plan to the company achieve objective and target. In 2019, the company has the Executive Committee meeting more than 12 times

#### 14.2.1.2.2 The Audit Committee

The Board of directors appoints the Audit Committee which is independent directors and is composed of highly qualified directors who are independent from the management and major shareholders of the company.

Members of the Audit Committee are 3 persons as of 31 December 2019 as follows ;

- |                                |                             |
|--------------------------------|-----------------------------|
| 1. Mr. Thanee Puttipunpluck    | Chairman of Audit Committee |
| 2. Mr. Suchart Suphayak        | Audit Committee             |
| 3. Mr. Chanitr Charnchainarong | Audit Committee             |

Remark\* By approval in the Board of directors Meeting No 3/2019 on 9 August 2019. The Board of Directors has resolved to appoint Mr. Thanee Puttipunpluck as chairman of audit committee and Mr. Chanitr Charnchainarong as director replacing Dr. Pisit Leeahtam who resigns as director, independent director and Chairman of Audit Committee since 17 July 2019. Effective on 9 August 2019.

Acting in a Secretary to the Audit Committee is Ms. Pornpimol Torpaiboon

All Members of the Executive Committee are no forbidden as follows ;

- Never dishonestly committed an offence against property.
- Never entered into any transaction which may cause conflicts of interest against the company during the year.

The Audit Committee consists of independent directors who have knowledge, experience in accounting and financial, and in reviewing the reliability of the financial statements. The main duties of the Audit Committee is to review and ensure that operation process comply with the policy, principle, law, and regulation, and to review and ensure that are suitable and efficient internal control, internal auditing process and risk assessment process. They are able to perform their duties and express opinions independently.

The company Authorities, duties, and responsibilities of the Audit Committee as follows ;

1. To review the company's financial reporting and disclosure in the financial statement in accordance with a generally accepted accounting principles sufficiency and accuracy. In addition, to coordinate with the external auditors and the management who is responsible for preparing the financial report quarterly and annually. The

Audit Committee may recommend/suggest to the external auditor for reviewing and auditing some significant matters during auditing period.

2. To review the company's internal control and internal auditing process together with the external auditor and the internal auditor to ensure that they are appropriate and effective.
3. To consider the independence of the internal audit department and to approve the appointment, transferring, and dismissal of the head of an internal audit department or other department that is responsible for internal audit.
4. To review the company's practice in accordance with the Securities and Exchange Act. and the regulation of the Stock Exchange of Thailand, or the law which is related the company's business.
5. To review the company's related transaction or conflict of interest transaction in accordance with the law and regulation of the Stock Exchange of Thailand and to ensure that such transactions are reasonable and beneficial to the company
6. To consider and advise the appointment, transfer and dismissal of the external auditors including the audit fee by considering the independence, creditability, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff, as well as to attend a non-management meeting with an auditor at least once a year.
7. To review the accurateness of references document and the anti-corruption self-assessment.
8. To supervise all directors, executives, and employees shall strictly abide by the anti-corruption policy.
9. To perform any other tasks as assigned by the Board of directors and the Audit Committee agrees them such as reviewing the policy of a financial management and a risk management, the compliance with the Code of Ethics of the management, a significant reports which are disclosed to the public accordance with the law (e.g. Management Discussion and Analysis - MD&A)
10. To prepare the Audit Committee report which is disclosed in the annual report of the company and is signed by the Chairman of the Audit Committee.

The report contains the following information;

- Comments on the company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible.
- Comments on the adequacy of the company's internal control systems.
- Comments on the adequacy of the company's risk management systems.
- Comments on compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
- The reason to believe that the external auditor is appropriate to be appointed as the company's auditor.
- Comments on related transactions or conflict of interest transactions.
- The number of the Audit Committee meetings and attendance of each member of the meeting.
- An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter.
- Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the Board of directors.

Under the scope of authority, the Audit Committee has authority to call or order the management, the head of department, or employees who are related transactions to attend meetings or submit documents deemed necessary, is able to seek independent opinions from other professional consultants as deemed necessary by the company is responsible all expenses.

The Audit Committee is directly responsible to the Board of directors. The Audit Committee is subject to three years term. Nevertheless, a retiring director is eligible for re-election in accordance with the Board of directors deems appropriate. The Audit Committees performs duties within the scope of duties and responsibilities assigned by the Board of directors who is responsible directly to the shareholders, stakeholders, and other person.

### 14.2.1.2.3 The Corporate Governance, Nomination, and Remuneration Committee

Members of the Corporate Governance, Nomination and Remuneration Committee are 3 persons as of 31 December 2019 as follows;

- |    |             |               |  |
|----|-------------|---------------|--|
| 1. | Mr. Suchart | Suphayak      | Chairman of the Corporate Governance,<br>Nomination and Remuneration Committee |
| 2. | Mr. Sumruay | Tichachol     | The Corporate Governance, Nomination<br>and Remuneration Committee             |
| 3. | Mr. Bhiya   | Jriyasetapong | The Corporate Governance, Nomination<br>and Remuneration                       |

Secretary to the Corporate Governance, Nomination and Remuneration Committee is Ms. Pornpimol Torpailboon.

The Chairman of the Corporate Governance, Nomination and Remuneration Committee must be an independent director.

Authorities, duties, and responsibilities of the Corporate Governance, Nomination and Remuneration as follows ;

1. To elect or consider a qualified persons to serve as a member of the Board of directors, sub- committees, or in case where the position of director is vacant accordance with the definition and qualification of the directors criteria together the board skill matrix and the evaluation performance annually. Then, propose the opinions to the Board of directors consider, and will be proposed to the Shareholders' meeting for appointment
2. To consider and advise a committee structure appropriately to the Board of directors, sub-committees, and the Executive committee about size, qualification (such as knowledge, ability, experience, etc.) and refer to the Board Skill Matrix.
3. To plans and elects for the succession of the Chief Executive Officer and the top management, then propose to the Board of directors.
4. To review the appropriateness of the remuneration structure and the criteria use to determine the remuneration of the Board of directors, the Chairman of the Board, the top management, and other level. Then, consider the appropriateness of monetary remuneration and other benefits by refer to other factors such as the remuneration in the



same industry, a result of operation compare to the company's goal and benefit of the shareholders

5. To consider an appropriate remuneration or other benefit of the Board of directors, Chief Executive Officer, a top management, and employees in all level and assigned to the Executive Committee considers in level of a top management and employees by reference to the budget which was approved by the Board of directors.

The remuneration or other benefits of the Board of directors shall propose to the Board meeting for consideration. Then, it is submitted to the shareholders meeting for approval by consider from 3 factors as follows ;

5.1) Best practice in industry for considerate remuneration.

5.2) Performance and size of the company.

5.3) Responsibility, knowledge and experience of directors.

6. To consider the remuneration appropriately to motivate in long-term work life of the Executive and to be consistent with the company's performance and the benefits to shareholder.
7. To propose guidelines about policies, ethics to be consist of the Corporate Governance to the Board of directors and the Executive consider and define as a standard practice of the company.
8. To supervise, consult, evaluate and review policies in accordance with the Corporate Governance principles and business ethics to develop and upgrade the corporate governance system of the company.
9. To prepare the Corporate Governance, Nomination and Remuneration Committee ("the CGNR") report which is signed by the Chairman of the CGNR and propose to the Board of directors for disclosure in the annual report.
10. To disclose the remuneration policy and other benefits in the form of the Corporate Governance, Nomination and Remuneration Committee report in the annual report.
11. Perform other duties according with assignment from the Board of directors.

The Corporate Governance, Nomination and Remuneration Committee is directly responsible to the Board of directors. In addition, the Chairman and members of the Corporate Governance, Nomination and Remuneration Committee have a term of three

years. Nevertheless, a retiring director is eligible for re-election in accordance with the Board of directors deems appropriate.

The delegation of authority to the Corporate Governance, Nomination and Remuneration Committee is not included the approval transactions which may cause a conflict of interest with the company or member of the CGNR or a related person of the CGNR according to the SET's regulations. However, the conflict of interest is required to the Board of directors and/or the Shareholders' meeting considers and approves such transaction in accordance with the company's Articles of Association or relevant laws, except the approval of transactions in the normal course of business which are already covered by existing guidelines approved by the Board of directors.

### 14.2.2 Audit Committee (Review the financial statement)

Mr. Suchart Suphayak and Mr. Chanitr Charnchainarong has the qualification and experience as well as having knowledge in corporate financial and accounting to review creditability of the financial reports of the company

## 14.3 Nomination and appointment of directors and top executives

### 14.3.1 Selection of a member of the Board, Sub-committees and Non-Executive Directors (Independent directors)

#### 14.3.1.1 Critical for selection a member of the Board and Sub-committees

The Corporate Governance, Nomination and Remuneration Committee ("the CGNR") considers and selects candidate of the Board of directors, the Audit Committee, the CGNR as summarized as follows ;

1. CGNR shall consider selection in accordance with qualification criteria set according to the section 67 and 68 of the Public Company Act B.E. 2535 and the board skill matrix shall consider the experience, knowledge, performing duties with caution and integrity and can spend more time with the company's work. Moreover, using the definition and characteristic of the committee as a basis into consideration
2. The Chairman of the CGNR shall propose the opinion to the Board of directors.

3. The Board of directors assigned to the Chairman of the CGNR proposes the Shareholders' Meeting to consider and approve the appointment of the new directors in conformity with the section 71 of the Public Company Act B.E. 2535 and Article 14 of the company's Articles of Association provide that "At every Annual General Meeting, one-third of the directors shall retire. If the number of the directors is not a multiple of three, the number closest to one-third shall retire from office. The directors retiring from office in the first and second years after registration of the company shall be selected to be retired by drawing lots. For the third and subsequent years, the directors who have been in the post the longest shall retire. The director who vacates the office may be re-elected.
4. The company shall notice to the shareholders to nominate candidates for election as the directors at least 3 months before the end of the year through website of SET and the company.

#### 14.3.1.2 Criteria for selection of Non-Executive Directors (Independent Directors)

The definitions and qualifications as follows;

1. Holding shares in total not more than 0.5 percent of total shares with voting rights of the company, its parent company, its subsidiary, its affiliate or other juristic person which may have conflicts of interest provided that the share held by related person of independent directors shall be inclusive.
2. Not being a director having participation in the management, an employee, staff, advisor who receives a regular salary, or controlling person of the company, its parent company, its subsidiary, a subsidiary in the same level, its affiliate or other juristic person which may have conflicts of interest, except for having passed from such the position for not less than two years before appointment.
3. Not being a related person by blood or registration under laws, such as father, mother, spouse, sibling or children including spouses of children of executives, major shareholders, controlling person, or such other person who will be nominated to take up the position of executives or controlling person of the company or its subsidiary under this clause may be re-elected.

4. Having no business relationship with the company, its parent company, its subsidiary, its affiliate or other juristic person which may have conflicts of interest in the manner which may interfere his or her use of independent judgment as well as not being major shareholder, a director who is not an independent director, or an executive of a person who have business relationship with the company, its parent company, its subsidiary, its affiliate or other juristic person which may have conflicts of interest, except for having passed from such the position for not less than two years before appointment.
5. Not being an auditor of the company, its parent company, its subsidiary, its affiliate or other juristic person which may have conflicts of interest, and not being a major shareholder, a non-independent director, an executive or a managing partner of an audit firm for which the auditors of the company, its parent company, its subsidiary, its affiliate or other juristic person which may have conflicts of interest work; except for having passed from such the position for not less than two years before appointment.
6. Not being a professional service provider, including a legal consultant or financial advisor who receives wages of more than Baht two Million per year from the company, its parent company, its subsidiary its affiliate or other juristic person which may have conflicts of interest. In case the professional service provider is a juristic person, a major shareholder, a non-independent director, an executive and a managing partner of the professional service provider shall be inclusive, except for having passed from such the position for not less than two years before appointment.
7. Not being a director appointed as a representative of the company's Board of directors, major shareholders or shareholders who are related to the company's major shareholder.
8. Not having other characteristics which result in not capable to provide independent opinion with regard to the company's businesses.

## 14.3.2 Nomination of member of the Board and sub-committees, and top executives

### 14.3.2.1 Nomination of member of the Board

The company recognizes to recruitment the directors. The Board of directors delegates to the Corporate Governance, Nomination and Remuneration Committee (“the CGNR”) considers and recruits the appropriate directors, and then proposes to the Board.

The CGNR is responsible for considering and selecting the Board of directors base on the board diversity policy, the section 67 and 68 of the Public Limited Companies Act, B.E.2535, and the board skill matrix that has been set up as a tool to determine and review the qualification of the Board of directors. The CGNR considers factors about a missing skill in the Board to fulfill, an appropriate qualify to be consist structure of the Board of director accordance with strategy of the company.

The CGNR has selected a qualified person to be the director, and then will propose to the Board of directors for consideration, after that propose to the Shareholders’ meeting for consideration to comply with the regulation of the company and composition of the Board of directors.

The majority of votes must be received in accordance with the rules and procedures as follows ;

1. Shareholder vote for each director individually
2. In voting for each director under Clause 1, one shareholder shall have one vote for each share held by him.
3. The sequence of persons who being appointed started from the highest votes shall be appointed respectively as the director(s) as equal as the total number of the

directors which will be appointed or elected in that period. However, when there are two or more persons getting the same amount of votes which caused to exceed the sum of appointing or electing of the directors in that period, the decision of the Chairman of election shall prevail.

There is a number of one-third of the Board of directors shall retire in each annual general meeting. Where the number of the Board of directors cannot exactly divide by three, the total number of retiring director(s) shall be the closet number of one-third. The retiring director(s) in the first and second years after Company's transforming shall be selected by the lucky draw. Otherwise, the longer directors shall be retired. However, the retiring director(s) under this clause may be re-elected.

If the number of member of the Board is less than the number of the quorum due to other causes that are not expire at the end of term. The Board shall select a new director who has an appropriate qualified and non-prohibited person replacement in the next the Board of directors' meeting. Unless the term of director is less than 2 months, the substitute director will be able to stay in the same position as the remaining term of director.

#### **14.3.2.2 Nomination of the Top Management Directors (Chief Executive Officer)**

The Corporate Governance, Nomination and Remuneration Committee responsible for considering and selecting the Chief Executive Officer together with the Executive Committee, taking into consideration the qualification and capabilities to be appropriate for the management and operation of the company.

#### **14.3.2.3 Nomination of Subcommittee**

The Board of directors assigned the Corporate Governance, Nomination and Remuneration Committee ("the CGNR") to action instead and then proposes information to the Board of directors.



The CGNR consider and select the sub-committee based on the skills and abilities of the directors to be consist of the roles, responsibilities, composition of each sub-committee to be in line with the direction of the company.

#### 14.4 Corporate Governance for subsidiary company and related company

-None-

#### 14.5 Policy of information data usage / Data security system

The company recognizes to importance of using of internal information by adhering to the principles of good corporate governance, integrity moral and ethical business practices accordingly and to ensure that investors receive the reliable information equality and promptly.

The company determines regulations of the corporate governance for the using of inside information and the securities trading of the directors, the executives, and employees in accordance with the securities laws. The company aims to accuracy and frank in operating business and prevents the Directors, the Executives, and employees to use inside information for their benefits or to disclose inside information for another such as the reporting of directors and management directors' trading. Moreover, the company has also imposed penalties for the breach to use inside information in order to their benefits which the penalties are warning until retire

The company's Using of Inside Information policy published on the company's website for all stakeholder, directors, executives, and employees. Describe its detail in staff meeting annually.

##### Inside Information Usage Policy

1. Directors, executives, and employees at all levels are forbidden to use internal data containing crucial information that has significant impact to the stock price and has not yet been declared to the public or the Stock Exchange of Thailand for trading to the advantage of self or others. Furthermore, the aforementioned parties are to avoid or refrain from trading the company's stock for 7 days prior to the date of the company's results announcement date.
2. The company is responsible for announcing to the public information regarding the company key decisions and/or actions in a manner congruent with the rules and regulations set out by the Stock Exchange of Thailand via appropriated and acceptable media and channel.
3. The disclosure policy define to ensure that all investors receive the information equality and promptly

4. Directors and executives shall report all securities ownership issued by the company, including those that pertain to self, spouse, and/or underage children, to the Securities and Exchange Commission in conformity with the section 59 of the Public Company Act B.E. 2535 and to the Board of Director on quarterly basis.
5. The company specifies a strict policy regarding the protection of Company is confidential information, and the prohibition of using Company unpublished information for any benefits to personal interest and others

The company also communicates the use of inside information to all employees since date of all employees decided to working at the company. In the hire contract shows important detail “all employees must to regard the benefit of the company as the first priority and not to fine benefit from your responsibility and not to disclose the independent information of the company or the customer to competitors or other third parties”.

## 14.6 Audit fee

Fiscal year ended 31 December 2020, referred to resolution from the Board of directors meeting no. 5/2019 on 12 December 2019, the Board of directors considered and approved the audit fee and name should propose to the Annual General Shareholders Meeting to appoint three persons as follow,

- |                                   |                                    |
|-----------------------------------|------------------------------------|
| 1. Mr. Chatchai Kasemsrithanawat  | C.P.A. registration number 5813 or |
| 2. Ms. Chonlaros Suntiasvaraporn, | C.P.A. registration number 4523 or |
| 3. Ms. Sirirat Sricharoensup      | C.P.A. registration number 5419    |

Auditor of the company is EY Office Limited. The audit fee is totaled Baht 1,050,000 which is increased 80,000 Baht from the accounting period ended on 31 December 2019, so the company has no other charge such as a non-audit fee that pay to individual or official or the parties that involved to the auditor and the office where the auditor is affiliated.

## 14.7 Corporate Governance Code 2017

The companyThe companycompany was evaluated Corporate Governance by the Thai Institute of Directors Association (IOD) which corporate-governance scores rated “Excellent” (5 STAR) benchmark

In 2019, the company has continuously observed the good corporate governance policy. The Board of directors recognizes to importance of the good corporate governance on behalf of the leader of the organization in order to achieve a good long term performance corporate resilience and ethical and responsible business include good corporate citizenship such as ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards. The company practice to the Corporate Governance Code by The Securities and Exchange Commission and ensure that the Board of directors understand it and support executives and employees to understand it as well. In present, the board authorizes Executive Committee to review of the implementation of the CG Code improve the policy and practice which accordance to CG Code then present to the board for approval and publish policy. Assign to report to the board annually for review the appropriate of CG Code practice.

(Governance Outcome)

- ❑ Competitiveness, performance with long term perspective and sustainable growth
- ❑ Ensure Disclosure and Financial Integrity
- ❑ Ethical and responsible business
- ❑ Corporate resilience
- ❑ Operate in accordance with applicable law and standards
- ❑ Promote innovation that creates value for the company, its shareholders and other stakeholders.
- ❑ Creates benefits for society and the environment Global Connections Public Company Limited
- ❑ Responsibilities for stakeholders for example shareholders, employees, customers, business, partners, community and environment.
- ❑ Allocates and manages resources efficiently and effectively • Objectives of good corporate are consistent with mission, practice and the company objectives

## 14.7.1 CGR (Corporate Governance Report of Thai Listed Companies)

### assessment in 2019

Boards of directors mainly performed in the CGR for good governance, but there are some non-observance;

## Sector 1 Right of Shareholders

- Boards of directors hold shares in total more than 25 percent (bonus point).
- The company has free float share in total less than 40 percent (On 31<sup>th</sup> December 2019, the company has free float 33.68 percent)

Cause: This is proper for small business regarding to free float balance and Securities and Exchange Commission (SEC)'s criteria that the company must have free float in total more than or equal 15 percent, including the holding shares which is not speculator.

The investors can be confident that the patriarch still care about company and manage for profit and return. The return may be growth of dividend.

## Sector 2 Equitable Treatment of Shareholders

- The company did not specify the vote method for the directors via cumulative voting.

Cause: The company is a small business. The voting base on "One-Share One Vote" are appropriate including avoid complicated condition for counting the director's score.

- The company did not set policy to director and executives to address for buying and selling the stock unless before 1 day.

Cause: The company avoid the buying and selling asset in 7 day before disclose financial statement to public. It's enough for transparency and cover the 1 day notice before buying and selling. Moreover, in other case of the market price deviate from expectation price. The directors or executive maybe not operation base on notice and must reply for correction. It's overlapping and confused.

## Section 3 Right of Stakeholders

- The company did not integrated report (Bonus point)

Cause: The Integrated report is already exist in annual report in the section of risk management performance, social responsibilities and against corruption policy for practical sustainable communication.

## Section 4 Information Disclosure and Transparency

- The company did not disclosure detail of the CEO's compensation.

Cause: Disclosure of information will make some effect on the labor market.

## Section 5 Responsibilities of Boards

- Directors did not set limit of listed companies in corporate governance policy that directors are not allowed to take position more than 5 companies.
- Directors did not set limit of listed companies in corporate governance policy that directors are not allowed to take position more than 3 companies. (Bonus point)
- Directors did not set year limit to take position of independent director (less than 9 years).
- Directors did not set year limit to take position of independent director (less than 6 years). (Bonus point)
- Nomination and remuneration committees did not include independent director more than 50 percent (The company has independent director 33.33 percent).
- Nomination and remuneration committees are not all independent directors.

Cause: The company is small business. Limit of director position will make conditions for nomination the directors. Moreover, in the complicated industry independent directors must have intensive knowledge and experience. Independent directors more than 50 percent will be crucial limitation in recruitment. Moreover, the corporate governance, nomination and remuneration committees can perform well on their positions.

- The company has no compliance unit. (Bonus point)

Cause: The company has internal audit and company secretary. It is enough and efficiency. Moreover, the executive committees always monitor all section operation. The company considered that it is not necessary to set up this sector.

- Directors did not use professional search firm or director pool to search for new director. (Bonus point)

Cause: The company used board skill matrix and superimpose nominate director some sector. The uncompleted experience fulfill by new expert directors.

- The company did not set minimum quorum policy that the directors must participate more than 2/3 in total of directors.

Cause: The company follow the law which have the attendance directors more than half.

- Directors did not set up risk management committee

Cause: Consideration of risk are held every month in management meeting. In 2019, the team of risk management was set from head of department to consider about risk and internal system in order to set the strategy for risk management in part by part relating to internal audit department. The team report to director meeting for consideration before report to audit committee.

- Independent directors have no women (Bonus point).

The company has considered that gender-specific issue is not involve with nominate independent directors. Moreover, the company has policy that difference structure and no gender limitation.

- Remuneration committees are not composed of independent directors more than 50 percent.
- Nomination committees are not composed of independent directors all of total. (Bonus point)
- Nomination committees are not composed of independent directors more than 50 percent.

Cause: Remuneration committees composed of intendant directors 33.33 percent. The company considered that it is appropriate.

## 14.8 The Others Corporate Governance

### 14.8.1 The Principle of Corporate Governance

The Principle of Corporate Governance of the Organization for Economic Co-operation and Development (OECD). The principle comprises of 5 categories, namely:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of directors



### 14.8.1.1 Section 1 Rights of Shareholders

Realize the importance of shareholders' equitable rights as follows;

#### ❑ Right of equitable Treatment

All shareholders possess equal basic rights such as rights to receive share certificates and rights to transfer shares, rights to elect and remove directors, rights to approve the appointment of auditors and rights to share in profit of the company.

#### ❑ Shareholders shall obtain relevant material of the company information on a timely, sufficient and appropriate for decision making

The company has policy to send the invitation letter together with the relevant documents and information on each agenda item to the shareholders not less than 14 days prior to the meeting

The letter of invitation to the meeting contains information relating to the location, date, time and agenda. Details of issues for consideration, reasons and positive and negative impacts of each agenda which there is the board of directors opinion in each agenda.

Shareholders may request to directors to add additional agenda of meeting and may pose questions in advance prior to meeting date. This can be seen from the opportunity for shareholders to propose agenda for the meeting and to propose nominee for the period of three months before the end of each fiscal year with the proportion of shares held 1 percent only.

Besides, the company give an opportunity to shareholders to send questions about the company performance or other questions in advance before the meeting according to schedule but please identify the necessary detail in case the company would like to contact for more information. By sending to the Chairman of the Board of directors, Vice Chairman of the Board or any proper positions or directly to the company secretary

#### Channels that shareholders can communicate with the company as follows:

- Postal mail      Global Connections Public Company Limited 13/1 Moo 2 Kingkaew Rd.  
Rachateva, Bangplee, Samuthprakarn 10540
- Telephone      02-7637999
- Fax              02-7637949
- E-mail            manage\_ir@gc.co.th

In the meeting, the Chairman of the meeting allocated sufficient time for the shareholders to express their opinions and make inquiries at the meeting. The Chairman of the Board of directors, the Vice Chairman of the Board of directors, the Chairmen of Sub-Committees, directors, Chief Executive Officer, Top managements, Auditors and Legal consultant should attend the meeting to answer questions pertaining to their particular functions. The shareholders were also encouraged to freely propose ideas and suggestions to the Board of directors

After the meeting, the company will record the minutes of the meeting correctly and make minutes of Annual General Meeting of Shareholders for propose in the next meeting and after the minute has been approved by the meeting, The company shall keep it in a safe place for verification by concerned party.

❑ **Right to attend the meeting**

Follow the company regulation define course that can set up a meeting which are,

▪ Annual General Meeting of Shareholders

Arrange the Annual General Meeting of Shareholders (AGM) every year within 4 months after the end of each fiscal year.

▪ Extraordinary general meeting of shareholders

The Board of directors may call for an extraordinary meeting of shareholders when it deems appropriate. An extraordinary meeting of shareholders may also be called upon when a number of shareholders whose aggregate shareholdings represent no less than one fifth of the total issued shares, or at least 25 shareholders whose aggregate shareholdings represent no less than one tenth of the total issued shares, propose in writing with reasons and clear objectives specified. The Board of directors will call an extraordinary meeting within 1 month of receipt of the requisition.

❑ **Meeting date and Sending related documents to the Shareholders' meeting**

▪ Schedule for shareholders meeting

This is in accordance with the resolution of the Board of directors meeting no. 1 of every year

■ Summary of shareholders entitled to attend the shareholders' meeting

In each shareholder's meeting, the Board of directors is aware of the shareholders' rights in compliance with the company Articles of Association, pertinent legislation, and the regulations of the Stock Exchange of Thailand ("SET"). The company has to notify the date of determining the names of shareholders entitled to attend the shareholders' meeting (Recorded Date) and compile the names of entitled shareholders under section 225 of the Securities and Exchange Act B.E. 2535 and its amendments in the Securities and Exchange Act (No. 4) B.E. 2551 by closing the share register at the SET no less than 14 days prior to its closing date

■ The company deliver meeting notices and related documents such as

- The annual report for the year that allow the shareholders to have adequate information on their voting rights
- A copy of the Minutes of the Annual General Meeting of Shareholders
- A proxy form
- A list of documents and evidence to be presented by the shareholders at the shareholders' meeting Instructions on how to attend the annual general shareholders' meeting and the annual general shareholders' meeting
- A map of the meeting venue

The letter of invitation to the meeting has a clear agenda and sufficient information include the Board of director opinions in each agenda and all above documents for decision-making at the meeting.

The notification and relevant documents were sent in advance to Thailand Securities Depository Company Limited (TSD) for further distribution to all shareholders 24 days before the Annual General Meeting of Shareholders and sent to shareholders within 21 days prior to the scheduled date.

■ The shareholders' meeting information was publicized on Company website: [www.gc.co.th](http://www.gc.co.th) such as

- The company's regulation regarding the part relating to the shareholders' meeting
- The letter of invitation to the meeting and other documents that send to shareholders such as details of each agenda, annual report, Proxy Form, Independence directors information who are shareholders proxy, Instructions of

document or evidence that shareholder need to bring in order to join the meeting and map of the meeting venue

The company also provided notification of the shareholders' meeting and all supporting documents, especially those for decision-making at the meeting, on the company's website, both in Thai and English, 30 days before the Annual General Meeting of Shareholders. This was to facilitate the shareholders with quick and easy access to essential information of the meeting and to allow them sufficient time for consideration before the actual documents were delivered except the Annual report both in Thai and English which will publish 21 days in advance before the Annual General Meeting of Shareholders.

❑ **Facilitating and promoting the shareholders to attend the shareholder's meeting policy**

The company recognizes and respects the importance of the rights and equality of all shareholders including Thailand investors, foreign investors, retail investors and institutional investors. The company organized the shareholders' meeting at meeting room of the Global Connections Public Company Limited. on Kingkaew Rd., Rachateva, Bangplee Samuthprakarn it may not be convenient for some people so The company provided a van to facilitate shareholders to join AGM from the place near BTS or MRT or at the Stock Exchange of Thailand in every year

The company will proceed with the facilitating and promoting the shareholders and the investors of the institutions to attend the shareholders' meeting policy as follows :

- Reveal the resolutions of the Board of directors including shareholder's meeting schedule and agenda through the information system of the Stock Exchange of Thailand timely or within next day after that the date of the resolution.
- Arrange the transparent and effective of the General Meeting of Shareholders in accordance with the laws and regulations of the company.
- Ensure that shareholders get sufficient and correct information timely, such as:
  - Deliver the notice of the Annual General Meeting of Shareholders consisting of the date, time, place, agenda and information of all sessions for consideration in conformity with the laws, the regulatory of Corporate Governance, the Article of the company and the Guidelines of the Quality Assessment General Meeting of Shareholders (AGM Checklist).

- Disseminate the meeting document and information, both in Thai and English version through the website of the company in advance and not less than 14 days.
- Announce the schedule of the General Meeting of Shareholders on the daily newspaper at least 3 consecutive days and not less than 3 days prior to the meeting.
- Open shareholders' registration 2 hours in advance prior to meeting time with Company has facilities of place, receptions & registration staff, and area information system of registration and the voting results, snacks and drink. Information Technology for registration and calculate the voting results which help Conducting the Meeting to be more smooth accurate and faster

In part of Information Technology for registration and calculate the voting results the company use a barcode reader to quickly find the list of registers and calculate the voting results for fast counting votes in each agenda

- Give an opportunity for the shareholders have equal right to recommend or ask question and the company has allocated appropriate time and recorded significant questions and suggestions of the shareholders in minutes completely.
- Reveal the resolutions of the shareholders' meeting and voting results through the information system of the Stock Exchange of Thailand within the next business day after that the date of the meeting.
- Prepare and submit the General Meeting of Shareholders' minutes to the Stock Exchange of Thailand, and even published the report via website of the company within 14 days from the date of the meeting.
- Assign the company secretary and the investor relations department contact and coordinate during the company and investors.

#### □ For the year ended 2019

In the Board of directors meeting no. 1/2019 held on 21 February 2019 had resolved to approve the date of the Annual General Meeting of Shareholders for the year 2019 on 5 April 2019.

The company has set the record date for the right to attend the Annual General Meeting of Shareholders on 7 March 2019

The company has delivered the meeting invitation and other supporting document, such as a copy of the minutes of the Annual General Meeting of Shareholders held on 5 April 2018, an annual report for the year 2018, the proxy form, the document list and evidence that the attendance have to show at the meeting, a procedure for attendance of the meeting, and a map of meeting venue, to Thailand Securities Depository Co., Ltd. (TSD) 28 days before the date of the Annual General Meeting of Shareholders, and then sent to shareholders 22 days before the schedule date on 1 March 2019

However, the company publishes all the information on its website as well, except in the section of the company's Articles of Association which is shown only a relation to the meeting of shareholders and discloses the information through the company's website only. (<http://www.gc.co.th>) by Do not deliver to shareholders by mail. All information has been posted on the company's website 30 days and 21 days in advance before the AGM in accordance with the criteria of "Meeting date and Sending related documents to the Shareholders' meeting - the shareholders' meeting information was publicized on the company website" to facilitate the shareholders with quick and easy access to essential information of the meeting and to allow them sufficient time for consideration before the actual documents were delivered.

In the Annual General Meeting of Shareholder on 5 April 2019, the company's shareholders were able to register at 7.30 a.m. and hold on the meeting at 9.30 a.m. at the meeting room of Global Connections Public Company Limited. 13/1 Moo 2, Kingkaew Road, Rachatewa, Bangplee, Samutprakarn

The company has arranged a van pickup to join AGM from Tesco-Lotus Onnut where is easy to travel by bus and BTS service.

Conducting the Annual General Meeting of Shareholders for the year 2019 on 5 April 2019

- There were 8 directors attended the shareholders' meetings as 100 percentage of 8 directors in total.
- The company secretary introduced directors, auditor, and observer to attendees. The observer is Kompas Law Limited who checks the documents of the shareholders and the proxies, observes the quorum in full before opened meeting and process to



prevent the stakeholder from exercising their right to vote on relevant agendas, and reviews counting the vote process and result of each resolution in accordance with transparency, legislation, and regulations of the company

- The Chairman of the meeting has allocated sufficient time for the shareholders to express their opinions and make inquiries at the meeting. The Chairman of the Board, the Vice Chairman of the Board, the Chairman of the sub-committees, directors, the Chief Executive Officer, top management and auditor were present to answer questions pertaining to their particular functions. The shareholders were also encouraged to freely propose ideas and suggestions to the Board of directors.

Disclosure of the results of the Annual General Meeting of Shareholders on 5 April 2019

- The company prepared and disclosed the resolution on each agenda to the Stock Exchange of Thailand after the meeting was completed in the same day on 5 April 2019. The resolution results were divided into the votes against, disapproved and abstained.
- The company prepared and disclosed the minute of the Annual General Meeting in the company's website within the law time. Details in the minutes as the name of directors and management that joined in the meeting, the name of directors that did not join in the meeting, the voting method, statement, recommendation, question, and answer.
- The company secretary is responsible for maintaining and filling the minutes and invitation letters of all the meeting since the company was registered as a public company.

#### 14.8.1.2 Section 2 Equitable Treatment of Shareholders

To ensure that all shareholders are treated equally and fairly based on their fundamental rights, the company must have measures to prevent misuse of insider information for the interests of oneself or other persons, or disclosure of information to persons associated with directors or executives to the detriment of shareholders as a whole. The shareholders meeting process must also support and treat equally right of all shareholders. The Board of directors has set the following guideline

#### □ Protection of the Rights of Minority Shareholders

- The company gives opportunity with minority shareholders to propose the important matter for consideration in the agenda of the Annual General Meeting. They also have the right to nominate qualified candidates to be directors within schedule period via the company's website (<http://www.gc.co.th>).
- The company delivers the proxy document in the form that the shareholders are able to set their voting in advance and give proxy to other persons to attend the meeting on their behalf. The company has submitted the proxy in the form specified by the Ministry of Commerce 3 forms together with the invitation letter. The company has added the options in Proxy Form B as set by the Ministry of Commerce. The shareholders can appoint the independent directors or other persons to attend the meeting and vote on their behalf. These conditions are simple and convenient for all shareholders to be able to proxy
- The company notifies a proxy procedure and document on the invitation letter. In order to properly prepare the documents required for the proxy. There is no problem when the proxy person attends the meeting. The proxy complies with laws and no condition that intend to creates difficulty about proxy to shareholders
- Before the meeting starts, the Chairman of the Board of directors acting as the Chairman of the meeting informs the shareholders of their rights according to the company's Articles of Association, the meeting procedures and the voting procedures.
- The Chairman of the meeting is responsible to control the shareholders' meeting in all agendas according to the Articles of Association of the company and to be consisted of the agendas which are set out in the invitation letter (the notice of the shareholders' meeting).
- The company shall ensure that no shareholder who is an executive can add any agenda items without advance notice, through the same process applicable to general shareholders. If there is a proposal to rearrange the order of agenda, the Chairman of the meeting will be able to change the order as proposed after receiving approval from no less than two thirds (2/3) of the attending shareholders

- However, up to 2019, there has never been a request to rearrange the order of agenda, nor has there ever been a request by one third (1/3) of the votes to introduce other matters not previously listed in the agenda. Moreover, the company has never added any other items to the agenda apart from those indicated in the notification of the meeting.
- The company has specified the voting procedure should be by the use of ballots in every agenda. In the election of directors, a majority vote must be obtained in accordance with “One share per one vote”

The majority of votes must be received in accordance with the rules and procedures as follows ;

- Shareholder vote for each director individually
  - In voting for each director under Clause 1, one shareholder shall have one vote for each share held by him.
  - The sequence of persons who being appointed started from the highest votes shall be appointed respectively as the director(s) as equal as the total number of the directors which will be appointed or elected in that period. However, when there are two or more persons getting the same amount of votes which caused to exceed the sum of appointing or electing of the directors in that period, the decision of the Chairman of election shall prevail.
- In case the company has special transactions or related-party transactions
- A policy regarding transactions which may cause conflicts of interest shall be established to provide explicit guidelines and prescribe a careful, reasonable, and independent consideration process for the execution of such transactions within the scope of the code of ethics and for the interests of the company and shareholders as a whole.
  - The company shall explicitly disclose shareholders information on related party transactions, which include the names and relationships of the related persons, pricing policies, and transaction values, as well as the Board’s opinions relating to such transactions.
  - Normally when the company has transactions that require the approval of shareholders by the regulations of the Stock Exchange of Thailand, the company

shall disclose information and reason of doing the transaction to shareholders first.

- The company shall have verification process regarding transactions which may cause conflicts of interest to ensure that there is a fair transaction which is normal in trading business. (Fair and at arms' length)

■ Information Usage

The company's policy is to uphold ethics and conduct its business with integrity to customers, suppliers and the shareholders of the company within its regulations and code of conduct. In case of internal information of the company is utilized by the executives or employees for personal gain or revelation confidential information to outsiders including making transactions that may pose potential conflict of interest, these actions are serious misconduct and disciplinary punishment may be taken.

The company will notify the Board of directors and executives who perceive internal information that may affect the price of securities to refrain from trading their shares of the company one week before and 24 hours after financial statement has been revealed to the public and prohibit disclosure of internal information to others.

The company has instructed its directors and executives to report any change in their holding of securities of Company in accordance with section 59 and provisions on penalties section 275 stipulated of Securities and Exchange Act B.E 2535 and the regulations of the SET including to their spouses and children less than 20 years of age. The directors and executives must submit one copy of the securities disclosure report to the company and the Securities and Exchange Commission on the same day.

□ **For the year ended 2018 and 2019**

- In 2019, the Annual General Meeting of Shareholders set up on 5 April 2019, the company informed detail in the information system of the Stock Exchange of Thailand on 18 September 2018.
- In 2020, the Annual General Meeting of Shareholders set up on 3 April 2020, the company informed detail in the information system of the Stock Exchange of Thailand on 2 October 2019

All details were announced via the information systems of the Stock Exchange of Thailand included to give opportunity to shareholders to add additional agenda of meeting and to propose matter to be included as an agenda, as well as propose qualified candidate to be nominated and to pose questions in advance prior to meeting date via e-mail address: manage\_ir@gc.co.th or post mail to the company secretary within a schedule period. The company will then take the information to be considered in accordance with the criteria. If the Board of directors approve, the company secretary will present the agenda in the notice of the Annual General Meeting of Shareholders.

□ **Equitable Treatment of Shareholders Policy**

- The Inside Information Usage Policy which is disclosed to employees, the management and directors announced on the company's website (<http://www.gc.co.th>) and disclosed the detail of such policy in topic 14.5 - Policy of information data usage/data security system.

### 14.8.1.3 Section 3 Rights of Stakeholders

The company believes in good relationship and well cooperation between the company and the stakeholders will enable the company to bring sustainable growth. Therefore, the Board of directors takes an importance to the rights of stakeholders by definition in the Ethics and Code of Conduct and announcement for directors, management and employees for always practice in the annual meeting of the company and the orientation of new employees. The details are as follows ;

□ **Corporate Value**

The foundation of corporate governance to lead to sustainable growth is based on the corporate value of the company's business as follows;

1. Ethics
2. Integrity
3. Professional/Focus
4. Partnership
5. Strive for Better

## ❑ Policies related to right of stakeholders

Policies related to right of stakeholders are acknowledged to employees, management, and directors and disclosed on the company's website <http://www.gc.co.th>

### ■ Policies and practices to shareholders

The company recognizes that shareholders are owners. The company has created value for shareholders over the long term, the company's policy to code of conduct business with honesty and integrity, morality and ethics. We will use the best efforts to develop the business to grow and create a good return on investment for shareholders, continuous and sustainable. The principles of equality, equal treatment of shareholders shall be given to executives and employees must follow the following guidelines.

#### Practices of Directors, Executives, and Employees

- To report the status of the company, earnings financial information, accounts and other reports on a regular basis.
- Please note that all shareholders are treated equally about the future trend of the organization, both in positive and negative. Located on the basis of feasibility. There are reasonable and adequately supported
- Do not seek benefits for themselves and others using any of the companies which have not been disclosed to the public, or take any action in a manner that might cause a conflict of interest with the organization.

### ■ Policies and practices to employees

The company is committed to the practice by law and regulations on employment with important policy that provide opportunity in employment to all persons equally. Begin with the searching process to hire the person to work with. Recruitment, staffing, training and development can be transferred by us to recruit people with talent and experience to meet the company needs to join or organization. And realize that the importance of the promotion, suitable compensation and benefits are based on the performance of employees.

The company has established a provident fund to take care of employees in long-term and support corporate social responsibility



The company treats all employees on the company's confidence and the belief that everyone is a precious resource and a succession factor. Thus, the company has a staff hand book included the compensation, benefits and practice.

The human resources policies and programs are designed to help achieve the goals of the company. Workers in all levels of command are responsible for complying with this policy. It aims to provide an open mind working atmosphere and respect to each other, based on the willingness of all employees is essential and to avoid conflicts of interest, our policy is not allowing spouse of directors to work in the company.

The company provides a channel for employees to complaint, in case they is not justified by the systems and processes.

The company provides a channel for employees to complaint, in case they is not justified by the systems and processes.

■ Policies and practices to customers

The company recognizes the importance of customer satisfaction as a key success of our business. The intention to seek ways to meet customer needs effectively.

Practices of Directors, Executives and Employees

- Delivering quality products and services and to meet or exceed the expectations of customers in a fair price.
- Provide information that is accurate and sufficient and timely to our customers. To learn about products and services. By no more than the fact that caused him to mislead customers about the quality of any term or condition. Of the product or service.
- Compliance with conditions that are strictly customers. If you are unable to comply with any conditions. Must notify the customer. To jointly find solutions.
- Contact with customers with courtesy, effective and a reliable customer service.
- Provide a system and process for customer complaints. To the utmost to provide our customers with the quick response.
- Maintain the confidentiality of the client. And does not apply to their own advantage or to improperly.

- Provide guidance on products and the company's service for maximum benefit of customers.

■ Policies and practices to partners

The company attaches great importance to Trading partners as alliances who will growing up together, so It is our policy to treat partners equally and fairly and attain the best interest of the company and a fair return of both parties without any conflict of interest. Using correct information to solve the problem and find a solution based on the business relationship.

Practices of Directors, Executives and Employees:

- Not demanding, accepting and giving any wrongful benefits in any form to our partners.
- Any bribes are offered or raised, disclosure to partners must be executed and joint solution must be acted fairly and quickly.
- Agreed commitment must be complied strictly, we shall notify any concern conditions to trading partners in advance to jointly find solutions.

Practice to qualifications of the company's vendors :

- The vendors shall have verifiable business facilities.
- The vendors shall have reliable staff, machinery and equipment, products, services, warehouse, financial status and performance records.
- The vendor shall have satisfactory performance records, which will be evaluated by the company on the basis of the quality of goods and services, including the delivery, after-sales services warranty or other transactional requirements.
- The vendor shall have no conflict of interest with the company's business and shall never been banned from doing business due to fraudulent conducts.

Application :

- Provide a certificate registered entity and copy of the registration tax (if any).
- Provide a copy bank book/ bank statement
- Sign in the agreement together (if any).

■ Policy and practice to creditors

The company strictly abides by all terms and conditions as stipulated in agreements with creditors and creditor guarantees in respect to purpose and utilization of loan, repayment and proper maintenance of collateral. Furthermore, the company has no policy to disclose information that causes damages to creditor.

Practices of Directors, Executives and Employees

- Agreed commitment must be complied strictly, Manage effectively utilize loan for right purposes
- Monitor the payment of loans and interests to creditors by the due date and complete comply with loan covenants according to the agreement. In the event that the company is unable to comply with any condition of agreement, the company will immediately inform the creditor so as to find a reasonable and mutually-acceptable solution together.
- The company provides correct and honest status and financial reports to creditors periodically.
- The company has established a strategy in treasury function to promote security and strength in capital management to prevent the company from experiencing difficulty in repaying creditor. There is also liquidity management to repay debt on maturity in timely manner.

■ Policies and practices against competitors

It is our policy to treat competitors in accordance with international principles and within the framework of competition law practices that does not violate the confidentiality of trade secrets or know how to partner with fraud.

Practices of Directors, Executives and Employees

- Comply with the rules of the competition well.
- Non-confidential information to competitors by means of dishonest or improper.
- Do not damage the reputation of competitors.

- Policies and practices to social responsibility and community

The company recognizes the importance of operating business together CSR activities by regard laws, other regulations, nearly communications, using environmental effectiveness and efficiency.

Practices of Directors, Executives and Employees

- Compliance with environmental laws and regulations strictly.
- Donate to support activities and contribute to develop community such as the Children's day, the Holy day, involved with the development community, and support disaster.
- The company will manage and control the product distribution procedures to prevent any harm that may occur to company employees, customer and community in terms of safety and health
- The company selects technology and operating process which has an environment standard and control pollution and treats pollutants before disposing.
- The company will effectively utilize natural resources and energy by promoting energy-saving activity voluntarily alleviates the global warming problem and enhancing the environmental friendly atmosphere.

Practices of supporting activities and contribute to develop community

- When the company receives an invitation letter, the Human resource & admin department will propose to the authority to consider and approve this according to the company's criteria.
- The company will donate to alleviate the suffering of those affected and will inform employees to donate together.

Any donations must not be contradictory with Anti-Corruption Policy of the company

Practices of The company aims to use resources efficiently as follows ;

- Support for recycling e.g. using recycled paper.
- Turn off the air conditioner and the lights in the room which have no person or out of the office for a long time.
- Waste separation and reuse some resources e.g. Plastic box, Plastic bag etc.

All the projects were happened because the company supported directors, executives, and all employees to have a conscience and responsibility to use resources efficiently. Although these projects can reduce energy costs a little amount but these projects can help cultivate personal habits and brought back to the daily life to be good citizens of society.

- Policies and practices to environment, health and safety

Operational decisions and take action to protect the company's concern about the environment and the responsibility to make sure the company's products and business comply with regulations and standards. Company policy is to be vigilant about safety and the environment.

We all have awake about safety and the environment. We are acknowledging the laws in various safety, health and environment policies, due to always amend and update related law.

- Policies on Intellectual Property and Copyright

The company recognizes the importance of the intellectual property and copy rights of third parties. The company will comply with the legal requirements on intellectual property and copy rights. Employees must check beforehand that the work or information that belongs to third parties can be used within the company without violating the intellectual property of others, summarized as follows :

Practices to Intellectual Property and Copyright

- Employees must comply with the laws, regulations and contractual obligations regarding intellectual property rights, and including patents, copy rights, trade secrets, and other information proprietary. Employees shall avoid violating intellectual property of others.
- Employees who use the company's computers should use only the licensed software programs of the company to avoid violating intellectual property of others.
- Employees must check beforehand that the work or information that belongs to third parties can be used within the company without violating the intellectual property of others.

- All the intellectual properties which include the work in progress, innovation in all formats shall be returned to the company whenever an employee vacates the office.

If employees have any questions about the use of information proprietary or patent, including computer software of others, employees shall contact the office of president or the legal advisory of the company because the company must obtain permission from the copy rights owner, except the information is allowed under the term fair use of copy rights law or the permission of the copy rights owners.

#### ■ Conflict of interest

The basis of the “conflict of interest” is that directors, executive and employees avoid any investment or benefits in any form that may be affected negatively to the honest and the reputation of the company or the employees themselves.

We all have a duty to concern the benefits that will occur over private interests and to maintain the confidentiality of information in any situation that might cause a conflict of interest.

#### Conflicts of interest may arise if an employee who :

- Increase personal wealth, due to access of confidential information.
- Have another job and causes a negative effect on the performance of the company.
- Receive gift or remuneration from others without permission of the company, due to their service which is done according to the business of the company or in the office that the benefits to themselves.
- Buy or sell shares of the company or its subsidiaries or affiliates, based on the information that is not publicly available.
- Disclosure of inside information. That is not publicly available to others

#### The company’s proprietary information

We all abide by the rules and guidelines set forth in the company including data protection and noninfringement of intellectual property or copyright. We will not disclose or use any proprietary information of the company or other information that the company has received. Under the confidentiality agreement it is necessary to disclose to perform duties as employees of the company or upon written authorization from the company only. The use

or storage of information in places where other people are is not allowed. The recognition of such information should be seen.

The company has recorded and received a certificate of registration of trade secret information that carries information no. 776 as of 11 December 2007, which is protected by law of trade secrets in 2545.

#### The competition information

##### Practices on the collection of the competition information

We all follow the guidelines relating to the pursuit of a competitive business, production information, and technical specifications of these guidelines to determine that how our employees should behave in appropriate way. Because they are collect and use information and data relating to the business on behalf of the company. We do not use any illegal methods (such as theft, bribery) or by any means to get unethical information from business competitors.

#### ■ Political participation

These are the foundation of the company that the company will not take funds or resources of the company to support political candidates or a political party unless the support is allowed by law and democracy as a whole.

##### Practices to Political participation

- The company policy do not allow employees of the company's facilities or resources use in political campaigns, political fund raising or the purpose of any particular political party.
- The company does not allow leaders to command employees at all levels to direct or influence by any means to join the political activities of all types.
- The decision of the staff to be involved politically by devoting time, work, money and other private property to a political campaign is to be done on their own.

#### ■ Human Rights Policy

The Board of directors recognizes the importance of respect to human rights internationally. Consequently, the company has determined that directors, executives, and all employees will join with the respect to human rights, workplace rights, and organization rights.



### Practices to Human rights

- The company encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- Employees' personal information shall be kept with utmost discretion and confidentiality. Disclosure of personal information such as employee's biography, health record, working experience or any other personal information to non-related party without the permission of such employee is considered a violation of the Code of Conduct and may result in a range of disciplinary action except when it is done in accordance with the company's regulations or legal requirements.
- The company does not support activities that violate the principles of human rights and anticorruption.
- Employees must refrain from any deliberate discrimination or harassment in word or action against other based on the basis of race, gender, religion, education, age, marital status, sexual orientation, gender identity and/or sexual expression, physical or mental disability, opinions and work styles. The Company will emphasize to employees do not overlook the opinions or a different

#### **❑ To report violations of ethics for employees**

We will treat employees who violate this code seriously and may result in disciplinary action. This can be put to the termination of the employee. Therefore, employees need to report to their supervisors immediately when there is the violation or suspicion that may violate the code of conduct for employees.

Supervisors are responsible to follow-up, take care all employees to compliance with this code of conduct for employees. And report to the Audit Committee and collect data about the violation or other. Its may have violated the ethics of employees.

### Recommendations

Compliance with this code of conduct cannot be explained in terms of behavior in all situations. However, we believe that the decisions of individual employees. When considered carefully that what is the right thing and appropriate in each situation.

If an employee cannot determine any appropriate action. Please answer the following questions below. If the answer is "Yes", you can be continuing.

- Your actions are legal and compliance with policies and regulations of the company or not.
- This action is “right or not” and your action “makes you feel that it is correct or not”
- This action is consistent with the public shall be approved or not.
- This will build the company credibility as an ethical company or not.

#### □ **The complaints of corporate governance and business ethics**

The company has established the Office of the President to serves as the complaints of corporate governance and business ethics. The stakeholders of the company, you can send complaints of corporate governance and business ethics directly to

- The office of president/secretary of the company who is responsible the corporate governance directly
- Independence Directors
- Directors
- Supervisors/ Responsible Department

#### Sending Channels

- Postal mail: Global Connections Public Company Limited  
13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn 10540
- Fax no. +66-2763-7949
- Tel +66-2763-7999 ext 201
- E-mail compliance@gc.co.th (The office of president/secretary of the company)

#### □ **Receipt of Complaints and Whistleblower Policy**

The company recognized the importance of strengthening relationships and understanding of all groups of the company’s stakeholders, namely shareholders, customers, trading partners, creditors, executives and employees of the company as well as those who get affected by the company’s operations, may file a complaint with or provide information to the company when witnessing, knowing or doubting or having reasonable grounds to believe in good faith that employees or the company breach or violated laws, rules, regulations, good corporate governance principles, business code of conduct, policies and procedures which may result in damage to the company.

- The whistle-blower protection

In order to protect rights of a complainant or a person giving information who acts in good faith, the company will keep confidential the name, address or any information indicative of the complainant or the person giving information as well as the information provided by the complainant or the person giving information. Access to the said information will be limited to only those responsible for investigating complaints. In this regard, persons receiving the said information due to their performing of duties relevant to the complaints shall treat the information, the complaint and the documentary evidence of the complainant and the person giving the information as confidential and are prohibited from disclosing such information to any other person who is not a relevant person except for the case where disclosure is required by law.

- Channels of receipt of complaint

The company has determined the office of president which is responsible for recipient complaints and conduct inspections. Stakeholders of the company are able to provide detail of the complaint via the following :

- Postal mail to department head or the report receiver (the office of president/secretary of the company who is responsible the corporate governance directly) or the Independent Directors or the Board of directors

Address: Global Connections Public Company Limited

13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn 10540

- Fax to report receiver unit (the office of president/secretary of the company who is responsible the corporate governance directly), Fax no. +66-2763-7949
- E-mail to report receiver unit (the office of president/secretary of the company who is responsible the corporate governance directly), e-mail: [compliance@gc.co.th](mailto:compliance@gc.co.th)

- Actions taken upon receipt of a complaint

When the company receives the complaints of prohibited acts, the company shall consider and take action as appropriate and shall take appropriate measure to protect confidentiality and privacy of all individuals involved in the investigation. However, the company cannot guarantee the confidentiality perfectly because the company may contact to a person who may be involved in the prohibited operation and may be witnesses to such

acts. Finally, if violation of this policy was occurred, employees who are the offenders shall be subject to disciplinary action up to and including the termination.

Step of investigation as follow

- Report Receiver (the office of president/secretary of the company) who is coordinator
- Receiving complaints and ascertain the facts process
  - The report receiver will find and gather the facts which are related to the complaint and after that, will delivery all documents to the coordinators within 3 working days from the date of receiving the complaint.
  - The coordinators evaluate all documents of the complaint then select and appoint to the Investigation Committee. They will consider to elect an appropriate director occasionally.

Qualification as follows;

- o If an employee breaches the law or the company's articles of association, the Investigation Committee should have Human Resource Manager as a director.
- o If an Internal Auditor was complaint, the coordinator should propose the complaint to the Audit Committee to consider and appoint the Investigation Committee appropriately.
- o If the Executive Directors, the Board of directors, the Audit Committee, or the Corporate Governance, Nomination and Remuneration Committee were complaint, the coordinator should propose the complaint to the Board of directors to consider and appoint the Investigation Committee appropriately.

However, the Investigators have no relation with such complaint.

The Investigation Committee is responsible for ascertaining the facts, conclusion the results of the consideration, solving the compensation the victim, and approving sanctions within 90 working days from the date of appointment of the Investigation Committee.

Except, punishment of 1) An Internal Auditor, the Investigation Committee should propose to Audit Committee consider and approve, 2) The Executive Directors, the Board of directors, Audit Committee, the Corporate Good Governance, Nomination,

and Remuneration Committee, the Investigation Committee should propose to the Board of directors consider and approve.

- The report receiver is responsible to inform to appellant within 7 working days from date of conclusion of the Investigation Committee.

- Especially for the important case, the results are reported to the top management of the company and/or the Audit Committee and/or the Board of directors, as appropriate.

#### 14.8.1.4 Section 4 Information Disclosure and Transparency

The Board of directors values the importance of disclosure of accurate, adequate, regular and timely information of the company. Therefore the company has the policies to organize financial statements which display the company's financial status and performance, shareholders structure and the Corporate Governance Policy that is transparent and auditable. Furthermore, the company has established an investor relation division to disseminate information to shareholders and securities analysts to understand the company on equal basis.

□ **Contact channels** as follows ;

- Telephone : To Investor Relations

Telephone No. +66 2 763 7999 ext. 201-204

- E-mail : [compliance@gc.co.th](mailto:compliance@gc.co.th) or [manage\\_ir@gc.co.th](mailto:manage_ir@gc.co.th)

- Post mail: To Investor Relations/The Office of the president

- Address: Global Connections Public Company Limited

13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn 10540

The Board of directors is responsible for financial reports of the company and the financial information in its Annual Report. The financial report is prepared in accordance with Generally-Accepted Accounting Principles (GAAP in Thailand by choosing an appropriate policy and practice on regular basis). In addition, all relevant information will be adequately disclosed in the remarks to financial statements.

The company has appointed the audit committee to verify financial report and internal audit system to ensure efficiency and transparency of the operation, including

following the company policies and related laws, considering nomination and remuneration of auditor.

❑ **For the year ended 2019**

The company secretary disclosed the information in accordance with the Notification of the Stock Exchange of Thailand and/or the Securities and Exchange Commission as follows ;

- Disclosed all information necessary for the investors and shareholders to make decisions according to the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. This included the financial reports relating to the financial status and operating performance of the company on a quarterly and annual basis after each review or audit by the licensed auditor, as well as the Management Discussion and Analysis (MD&A) of the company entities to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- Disclosed corporate governance police, code of conduct and related policy through the annual report and company website: [www.gc.co.th](http://www.gc.co.th)
- Distributed the 2018 Annual Report (Form 56-2) to the company's shareholders, along with the notice of the Annual General Meeting of Shareholders, and informed such information to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within the period required by law.
- Submitted Form 56-1 for the year ending 31 December 2018 to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 3 months from the end of accounting period of the company as required by law.

The disclosure of information to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission was properly completed and submitted in a timely manner.

- The company. The Board of directors appointed a business unit to be responsible for the “Investor Relations” as a center for investor communication and to have the duty to disclose information of the company to shareholders, institutional investors, public investors, securities analysts and relevant government sectors. To enhance the information provided to the aforementioned parties for in depth investment analysis of the company's securities, the company has disclosed and distributed material

information through the company's website at <http://www.gc.co.th> with regular updates on the information given for the stakeholders and related parties to always have key information of the company such as financial information, annual reports, organization news, social activities and securities analysis articles, both in Thai and English

- Disclosure Investor relations activities to shareholders, stakeholders, and public
  - Prepared news releases concerning the company's quarterly financial position and operational results on the first business day after the submission of the audited or reviewed financial statements to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
  - Published the company's financial and nonfinancial information, good corporate governance policy, business philosophy, and code of ethics (both in Thai and English) on the company's website at <http://www.gc.co.th> for shareholders and investors to have a convenient channel to equally access the company's information at all times.
  - Arranged for better communication between investors and shareholders and the company. Investors and shareholders are able to raise questions to the executives or request for more information from the company through its e-mail address: [manage\\_ir@gc.co.th](mailto:manage_ir@gc.co.th). They can also register to receive e-mail updates through the company's website.
  - Provided financial statement analysis closing price and volume of stock trend of the company stock price to SET INDEX and PETRO INDEX summarize economic news with relevant field Overview of Plastic and Petrochemical Industry, Oil price situation published on the company website on a quarterly basis in topic of "IR Report"
  - Joined SET's Opportunity Day program to announce the company's operational results and financial position on a half year basis (twice a year) to investors and securities analyst
  - Issued press releases and photo releases regarding the company's activities to news reporters on the company website in topic of "Company's News" which is photo release to general public on a regular basis.



- Provided communication channel for inquiries or information request raised to the company via e-mail address: manage\_ir@gc.co.th or the company website in topic of “IR contact”

#### 14.8.1.5 Section 5 Information Disclosure and Transparency

The Board of directors has an important role in supervising the company's businesses. To ensure efficiency, the Board's structure, as well as its authorities, duties and responsibilities must be appropriate and clearly defined. Individuals who are to be appointed the company's directors must be honest in their duties, have vision, ability and experience and be able devote their time to fully perform their duties for the company. These individuals must also be independent in their decision making for the best interests of the company and shareholders as a whole. Furthermore, in order to enhance the efficiency of the Board of directors, there must be committees in charge of providing assistance in areas of supervision, studying and screening of works as necessary. In order to ensure that the Board's structure is suitable for the company's business operations and to clearly define the framework, authorities, duties and responsibilities of the Board with a view to enhancing its efficiency, the Board of directors has established the guidelines as set forth below.

##### ❑ Board of directors composition

The company defines the Board of directors composition as follows

- The Board of directors shall consist of 5-12 directors as appropriate.
- The Board of directors shall have diversity, qualification in skill, experience, education, ability, and particularities.
- Appropriate portion of executive directors and non-executive directors which non-executive director can give opinions to executive performance independently.
- Chairman of the Board should be an independent director and not be a same person as Chief Executive Officer (CEO).
- For independent director shall have qualification which follow the criterion of the Securities and Exchange Commission and the Stock Exchange of Thailand.

#### ❑ For the year ended 2019

The Board of directors includes 8 persons, a chairman, a vice chairman and directors, of which 4 of 8 are independent directors as 50 percent of the entire Board of directors which comply by law and regulation. No less than one-third (1/3) of directors shall be independent directors who have no business relationship or any other relationship with the company which may affect the director's independent exercise of discretion.

The company has composition in accordance with the regulation completely and besides nonexecutives have experience in the business and a major industry that relate to the company.

#### ❑ Term of directorship

The Board of directors has set the duration of the term of service of director in accordance with the Articles of Association of the company. In every AGM, one-third (1/3) of the board of directors, or if their number is not a multiple of three, then the number nearest to one-third (1/3) will have to retire from the post. The company's directors, who must be retired in the first year and in the second year after the company registration, shall be selected by means of lot drawing whereas, in the subsequent years, the director who has been in the position for the longest period will be retired. The retiring director may be re-elected again.

The company has independent directors total two persons who have been appointed for more than 9 years as follows ;

1. Independent directors who have been appointed since the date of 17 March 2005 included Mr. Virah Mavichak.
2. Independent director who has been appointed since the date of 22 February 2006 included Mr. Suchart Suphayak.

The Corporate Governance, Nomination and Remuneration Committee's recommendation that all directors total 2 persons were qualified to be directors in accordance with related laws. They are well-known and highly regarded for his extensive knowledge and experience, which is one of the main business areas of the company. During their term, they always provided insightful comments and valuable suggestions which benefited the company. To avoid opportunity lose to find the new directors, the Board of

directors agreed to propose all of them to take position of Board of directors members more than 9 years with highly regards for their extensive knowledge and experience in petrochemical and Plastic Business.

Besides, Mr. Suchart Suphayak who was the Independent director and Audit Committee of the company was qualified from experience and knowledge that expertise in accounting-finance and the accounting standard.

❑ **Chief Executive Officer (“CEO”) takes a position of other company’s director**

The Board of directors defines policy and practice to be the corporate good governance for Chief Executive Officer takes a position of other company’s director. CEO is responsible to report and disclose the name of other companies, type of business, and position of other companies, on beside of reporting a conflict of interest since appointing to be CEO of the company. Then, the Board of directors shall consider and approve because the company emphasized to the important in the position of CEO shall devote his time work to effective performance.

❑ **Consolidate or separate position between the Chairman of the Board and Chief Executive Officer (“CEO”)**

The company has the Chairman of the Board, is independent director but not the same person as CEO because of separation of role and responsibilities between defining the corporate governance policy and the management of the company. Moreover, the company has member of the Audit Committee 3 persons are responsible to balance and review the management.

❑ **Independence of the Chairman of the Board (“the Chairman”)**

The company abides by independent of the Chairman, so that the Chairman is independent director since being a listed company on the Stock Exchange of Thailand, but does not define as the policy. The company may be not able to nomination a suitable and qualify person for the Chairman position in time because plastic and petrochemical industry need the Chairman who has experience and specialist, unless to be a leader for management, vision and ability to governance for the maximum benefit of the company, shareholders and stakeholders.

#### ❑ Sub-committees

The sub-committees comprise of three committees included; the Executive Committee, the Audit Committee, and the Corporate Governance, Nomination and Remuneration Committee.

- The Executive director had four persons and holds meeting in every month and any matter issues that have to report to the Board of directors be shall informed regularly and timely.
- The Audit Committee had three independent directors. They are responsible for regulating corporate governance. The Audit Committee holds meeting regularly once in every three months and reports directly to the Board of directors.
- The Corporate Governance, Nomination and Remuneration had three persons.

For name, qualification, role and responsible of each director in sub-committee said in topic 14.2 the Board of directors and Sub-Committee which is part of Good Corporate Governance

The company has no policy that establishes the Risk Management Committee because the establishment must take into account several factors and the company considers the risk in the management meeting monthly. Internal audit coordinate to the management team in order to estimate the factor of risk. The probability of risk. The company then the team will report to the executive committee before present to the audit committee.

#### ❑ The Board of directors meeting

The company's policy arrange at least 5 times per year (In 2019: 5 times) for a Board of directors meeting. There shall be directors attending the meeting not less than half of the total number of directors to complete the quorum.

The secretary to the Board of director will inform and send the notice of the meeting to the Board of directors. The secretary to the Board of directors will inform and send the notice of the meeting which contains details of date, time and place together with agenda and related documents to the Board of directors 7 days prior to the meeting for an appropriate consideration.

The member of the Board is able to raise more agenda and present idea openly and directly. The company's secretary will record and take minutes of the meeting.

In addition, in order to comply with the guidelines of good corporate governance. The company also held non-executive directors regularly before the Board of director meeting in order to provide opportunity for non-executive directors to discuss problems and free-spoken without executive director arrange at least 5 times per year (In 2019: 5 times)

The Board of directors appoints a Company's secretary to support the function of the Board of directors. The secretary's duty is prepare agenda, invitation for meeting and arrange meeting, including advising about law, rule and the regulation for the meeting and prepare minutes of the meeting for the chairman's approval prior to submit for the meeting acknowledgement.

#### ❑ The Board of directors report

The Board of directors is required by the Securities and Exchange Commission to report their company's share selling or buying including their spouse and immature children. The company Secretary shall consequently keep such reports for references. Moreover, they need to disclose information regarding their own interests and any interests of their related persons to the company's Secretary. This information will enable the company to duly prepare its disclosure report on related parties' transactions, which could cause conflict of interest.

In quarterly the Board of directors' meeting, the company secretary always report any change in their GC securities holding of all directors and executives.

#### ❑ The management meeting

The company has the management meeting in every month consist of manager level until executive director level to consider strategic plan in short-term and long-term, result of the operating business, and risk management.

#### ❑ The directors and management remuneration

##### ▪ Director's remuneration

The company has specified director and management's remuneration clearly and transparently. The remuneration of directors will be comparable with similar industry and

will be appealing enough to attract and retain qualified directors. Moreover the director who is assigned more responsibility will obtain more appropriate remuneration accordingly.

■ The management's remuneration

The Board of directors assigns the Nomination and Remuneration Committee to consider compensation of the director. The directors' remuneration should be comparable with similar industry and take into account the performance of the company based on the policy that set by the company's Board of directors in both long-term and short term such as salary, annual bonus and Long-term Reward in conjunction with the performance of the company and each individual director.

The Board has appointed the Nomination and Remuneration Committee to consider the guidelines for the compensation of GC's Board of Directors and members of the committees to propose to the Board. The compensation criteria are:

- 1) The compensation is divided into three portions, monthly pay meeting allowance and bonus (no other compensation or benefits in other forms, either monetary or non-monetary, are to be paid to the directors).
- 2) The compensation is based on the responsibilities and performance of the directors and GC's performance, and it should be comparable to peer companies with a comparable size and business risks to attract directors whose qualifications suit GC's businesses to be its director.
- 3) The scopes of work and assigned responsibilities of the directors and sub-committee members are also considered.
- 4) The compensation of the Board and subcommittee members must be approved by the shareholders' meeting. The 2019 Annual General Meeting held on April 5, 2019, the detail is on Topic 13.4 the directors and management remuneration.

#### ❑ **Succession policy**

The Board of directors assigns the Nomination and Remuneration Committee to prepare a succession plan for the position of CEO to ensure that the company is managed at all the time by CEO with appropriate competency and skills. The company is also assigned human resource department provide a succession plan for executive and management level position in order to prepare in case they cannot perform and assign Chief Executive Officer to report the operation of succession plan to the board of director at least once a year.

#### ❑ **Orientation for New Directors and Enhancement of Business Knowledge**

The Board of directors assigns the secretary of the Board of directors to prepare information for all new directors so as to inform them of the business information of the company, a director's roles, duties and responsibilities and compliance with the company's Corporate Governance Policy and practices. Simultaneously encourage all directors to have better knowledge and understanding of Company's business to enhance their role as efficient directors. Moreover, the company has policy to improve knowledge to directors regularly.

#### ❑ **Development of Directors and Executives**

The Board of directors has a policy to support and facilitate training and learning for its directors and executives to ensure their continued improvement and performance, both internal and external training courses. All directors must attend training for understanding of performance of their duties in the capacity as directors. The Board of directors and the top executives realize the significance of their participation in training or seminars in various courses or development of their knowledge and skills.

The Board of directors attended training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP), Directors Accreditation Program (DAP), The Role of Chairman (RCP), Audit Committee Program as appropriate.



■ Annual Training 2019

- The Board of directors' training -None-
- The Managements' training

Name	Program	Venue
Ms. Pornpimol Torpaiboon	- TLCA IR Conference 2019 : Engaging your stakeholders through effective communications -How to Transform Your Business to Become an Exponential Company in a Digital Era	- Thai Listed Companies Association (TLCA) - SET
Ms.VachareeVutipornchai	-TFRS 9 and 16 Guidelines for Supervision and effect of Listed Companies -Strategic Financial Leadership Program (SFLP) - New lease agreement (TFRS 16)	- SET - SET - Thai Listed Companies Association (TLCA)
Ms. Laddawan Likhitthanarak	- Strategic Innovation Management Training Program	- SET&NIA
Ms. Patcharin Chartkun	-None-	-None-
Ms. Aroonjit Treesittichate	- ESG Investment Forum 2019 - Fundamentals for Company Secretary 2019 - Engaging your stakeholders through effective communications 2019 - Fundamentals for Investor Relations 2019 - Set Portal/Strategic Shareholders/FSCOM 2019 - Preparation of the AGM 2019 - Smart Disclosure Program (SDP) 2019	-SET -Thai Listed Companies Association (TLCA) - Thai Listed Companies Association (TLCA) - SET - SET - TCSC&SET&TIRC - SET

## □ Assessment of Performance of the Board of directors and Sub-committees

The Board of directors emphasizes of Assessment of Performance of the Board of directors and Sub-Committees so the Board determined to assess their performance once a year and the results of such assessment can be linked and considers company short and long term performance.

The Board of directors assigns each director and subdirector to assess their performance as group and individual assessment. The company secretary will propose that agenda in the board of directors meeting annually so the directors can assess then compile and summary to inform the board in the next meeting

1. The Board's structure and qualification are suitable for the company's business operations emphasize consideration of appropriate number of director, sufficient diversity skill number of independent director nonexecutive directors executive directors. The electing of candidate who is qualified to become member of the Board of director or other committees is transparent. There is consider to appoint Sub-Committee and suitable qualification /appointment of the company secretary
2. The Board of directors meeting encourages the directors to work efficiently in every meeting which assess about the director know the meeting schedule in advance, suitable number of meeting, sufficient time in each agenda, the directors receive the documents about meeting in advance, each director can give opinions independently and no directors who has interest conflict shall make a decision in the transaction.
3. Reconsider role duty and responsibility of the Board of directors emphasize Corporate Good Governance and Code of Conduct, Conflict of Interest transactions and recognition of top benefits of the company, Strategic and business plan, Related transactions, Internal Control, Risk Management, Whistle blower policy, Tracking the Executive's working, Doing the financial statement in accordance with generally accepted accounting standards, Process of the remuneration of Directors and Executives and Evaluation of the Chief Executive Officer and President's performance
4. Others about relationship between the Board of directors and Management term and Self-improvement of Directors and Executives

## ❑ **Assessment of Performance of the Chief Executive Officer**

The Board of directors determined that the Chief Executive Officer should be evaluated onetime per year (annually) by the Executive Committee. The assessment is considered the potential performance in each position together with the results of the company's operations compared to the target/budget and the company's annual plan. After that, the Executive Committee will propose the result of the assessment to the Corporate Good Governance, Nomination and Remuneration Committee considers and determines the remuneration of the Chief Executive Officer and President.

## ❑ **Conflict of interest**

In order to protect any occurrence of conflict of interests, the company has policy which prohibits the directors, executives and staffs to take advantages of their roles and their duties for benefits.

In the event of the transactions with conflict of interest may possibly occur, the Board of directors will carefully take into consideration in the interest of the company.

- A policy and procedure on the approval of related transactions had two categories as follows ;
  - Purchasing or selling between juristic Company and persons involved will be conducted under the rules and conditions which were conducted with the same standard as that of an external vendor.
  - In case of the connected transactions occurred are not normal case, the related department of the company will gather these information to propose to the Audit Committee for consideration and giving opinion that they have been conducted according to the company's normal practice with the fair price before they will be perused by the Board of directors once again.

In addition, the company shall be obliged to comply strictly with securities trading law and related rules and regulations governing the Securities and Exchange. In any connected transaction with concerned persons may raise a conflict of interest. To ensure transparency and equitable treatment of shareholders, the vote of interest persons will be excluded.

## ❑ Internal Control and Internal Audit systems

The Board of directors and the Audit Committees have reviewed the internal control systems of the company with executives regularly and gave its opinion that the company has an adequate appropriate internal control systems and sufficient to protect its assets from serious misconduct or other irregularities in management of the company such as setting authorization and writing operational regulations as well as recognition of the importance of internal control systems. An independent Internal Audit Office is established to ensure that all operation units of the company are in compliance with operating procedures and to coordinate with external auditor. The Internal Audit Office reports directly to the Audit Committee. Furthermore, the company has system to keep important documents for verification of the auditor and legislative authority.

## ❑ Risk Management

The company gives importance to risk management system by consulting to set Risk Management Committee and the company regard to set it. However, the board assigned the Executive Committee taken care of the risks of the company which assessing setting and reconsidering the company's risk constantly relating to the main risk such as strategies risk, business operation risk, financial risk, implementation by the regulation risk of the company by corporate with the Internal Audit department at least once a year then purpose to the Audit Committee for consideration

Moreover, in the management meeting there is consideration about risk management in every month to settle strategies and policies to reduce the company's risk that is an obstacle to the company goals include follow up the risk continuously and report to the Executive Committee which the Board of directors acknowledged regularly or in case of main issue.

### ■ Risk Management Policy

The company manages the system of risk management in order to satisfy our customers and give good return to shareholders and stakeholders which comply by the corporate governance code so the Board of directors who acts responsibly have set the risk management policy as follows

The company gives importance to efficiency risk management system with acceptable risk level that makes stable and continue business. The risk management can

open opportunity to success of the company and minimizes loss and uncertainty operation of the company that lead to the company objectives

- Encourage risk management culture to create understanding responsibility and cultivate good moral traits about risk. Control risk and effect of risk to the company operation
- To have conduct of risk management internationally and sufficiently also indicate analyze evaluate rearrange manage control follow report and communicate to give information about risk continually and practice throughout the entire company
- Qualitative risk measurement such as reputation and image of the company. Quantitative risk management such as lost profit, decrease in income, increase in expense which consider by opportunity that may occur and effect.
- Risk Limit in acceptable level, Conduct event or risk level (Warning Sign) to operators for not over than risk limit.
- Written operating procedures for executive and operator which control operational risk.

Risk management procedures as follows

- Objectives Establishment
- Risk Identification
- Risk Assessment (Analysis and ordering)
- Setting measure and risk control method
- Setting risk management plan
- Monitoring, writing report and assessment

For the year ended 2019

Internal audit coordinate to the management team (in head level of each department) in order to estimate the factor of risk. The probability of risk. then the team will report to the executive committee all the year round.

# 15 Corporate Social Responsibilities : CSR

## 15.1 Overall Policy

The company keeps concentrating on Corporate Social Responsibility (CSR) which is based on best practice and the guidelines of the Stock Exchange of Thailand (SET). The company executes strategy to all shareholders, i.e. customers, employees, community, and shareholders, in order to sustainable growth along with business growth. We do encourage employees to engage in working processes for efficiency and effectiveness which lead to customer satisfaction. We realize values of integrity, transparency, and social responsibility.

## 15.2 Policy and Practice to Social

The company recognizes the importance of business and social responsibility together. Therefore, the company adheres to the practice of law, rules, regulations, regard of the neighboring communities, and using resource and environmental efficiently.

The company's policy and practice of social responsibility and community and code of conduct were set up for the executive directors, management, and employees to learn follow and adhere to the Code of Conduct.

The CSR report has been generated in accordance with Global Reporting Initiative (GRI) G3.1 which is an international initiative.

The company had a policy and practice to conduct their business in accordance with CSR guidelines.

There were launched by the Stock Exchange of Thailand to support society, environment, and stakeholders as details follows ;

### 15.2.1 Conduct the business on fair basis

The company treats the business partners on the basis of equalities and fair competition to achieve the overall benefits of the company and mutually fair returns to both parties. The company will honor the agreement. Including provide and report accurate information, solve the problem and find solution based on business relationship. Strictly

abide by the terms of trade. In addition, the company's procurement and selected partner policy and procedures are designed to ensure efficient appropriation, effectiveness, transparency and justification. The policy and practice/guidelines to suppliers/vendors were recorded in the company's Code of Conduct. Employees can study, understand, and practice them correctly such as the policy and guidelines to trading partners, the policy and guidelines to creditors etc.

#### 15.2.1.1 Policy and guidelines to treat suppliers/vendors equally and fairly

The company defined policy to treat suppliers/vendors equally and fairly and considered benefit and compensation that is fair to both parties. The company will execute the agreement. Including provide and report accurate information, solve the problem and find solution based on business relationship.

The company defined the practices of qualification of the company's vendors and application process as follows ;

- ❑ Practices of qualifications of the company's vendors
  - The Vendor shall have verifiable business facilities.
  - The Vendor shall have reliable staff, machinery and equipment, products, services, warehouses, financial status and performance records.
  - The Vendor shall have satisfactory performance records, which will be evaluated by the company on the basis of the quality of goods and services, including the delivery, after-sale services, warranty or other transactional requirements.
  - The Vendor shall have no conflict of interest with the company's business and shall never been banned from doing business due to fraudulent conducts.
- ❑ Application
  - Provide a certificate registered entity and copy of the registration tax (if any).
  - Provide a copy bank book/bank statement.
  - Sign in the agreement together (if any).



### 15.2.1.2 Policy and guidelines to treat creditors honestly

The company emphasizes to create the confidence of the creditor by honestly and strictly adheres to agreement.

The company has promissory note, others loan (if has) pay correctly and on time in every agreements. Manage effectively utilize loan for the right purposes. Furthermore, the company has no policy to disclose information that causes damages to creditor.

The company has set the following guidelines :

- Agreed commitment must be complied strictly, Manage effectively utilize loan for right purposes. Monitor the payment of loans and interests to creditors by the due date and complete comply with loan covenants according to the agreement.
- In the event that the company is unable to comply with any condition of agreement, the company will immediately inform the creditor so as to find a reasonable and mutually acceptable solution together.
- The company provides correct and honest status and financial reports to creditors periodically.

### 15.2.2 Respect of Human Right

The company has a policy to treat all stakeholders with fairness compliance with laws and regulations. The Foundation of International Human Rights Laws free from discrimination. This area includes measures to combat discrimination on grounds of gender, or expression, ethnic origin, religion or other belief, disability, sexual orientation, financial status, education age or others status that not directly related to operation. Moreover, respecting the individual right and human dignity.

The company recognizes the importance of respect to human rights internationally. Consequently, the company has determined that directors, executives, and all employees will join with the respect to human rights, workplace rights and organization rights.

### 15.2.2.1 Human Rights Policy

- 1) The company encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- 2) Employees' personal information shall be kept with utmost discretion and confidentiality.

Disclosure of personal information such as employee's biography, health record, working experience or any other personal information to non-related party without the permission of such employee is considered a violation of the Code of Conduct and may result in a range of disciplinary action except when it is done in accordance with the company's regulations or legal requirements.

- 3) The company does not support activities that violate the principles of human rights and corruption.
- 4) Employees must refrain from any deliberate discrimination or harassment in word or action against other based on the basis of race, gender, religion, education, age, marital status, sexual orientation, gender identity and/or sexual expression, physical or mental disability, opinions and work styles. The company will emphasize to employees do not overlook the opinions or a different concept of others because the creative solution is crucial to the success of the company.

The company defines channels for complaints of human rights violations which are in case of being witness or knowing any discrimination via Department head/ Supervisor Human resource department Office of the president and Postal mail.

Postal mail: The unit of the receipt of complaint of human rights violation Office of the president

Global Connections Public Company Limited

13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn 10540

E-mail: [compliance@gc.co.th](mailto:compliance@gc.co.th)

When the company receives the complaints of prohibited acts, the company shall considers and takes action as appropriate and shall takes appropriate measure to protect confidentiality and privacy of all individuals involved in the investigation. However, the company cannot guarantee the confidentiality perfectly because the company may contact

to a person who may be involved in the prohibited operation and may be witnesses to such acts. Finally, if violation of this policy occurs, employees who are the offenders shall be subject to disciplinary action up to and including the termination.

In 2019, the company had no complaints of human rights.

### 15.2.3 Treat Employee on Fair Basis

The company recognizes the importance of Employee that is the key success factor and company progress so the company had policy to support the training and development of staff to improve the skills of their employees continuously and treat all employees on fair basis. Give appropriate remuneration and respect human right. Moreover, The company recognizes in health, sanitation, safety of life asset and work environment included creating a positive work environment and promoting good team work.

Furthermore, the company recognizes the importance of development operating business and CSR in process together. Significant factors to meet the target are developing employees at all levels to thrive in their carrier path. The company strives to develop all employees to be professional and gives an opportunity to perform their full ability, in conjunction with improving the quality of their life to balance of work and life.

Therefore, the company defined policy and practice of development knowledge and capability of employees such as staff training, improving of customer service, having activities to improve all employees throughout the year, evaluation of employees clearly and fairly, employment fairly, and not violate the human rights etc.

#### 15.2.3.1 Policies and practices regarding the development of the knowledge and capabilities

##### 1) Targets of Human Resource

- The company adheres to run business in accordance with the laws along with the policy of fairness employment including recruitment, hiring, placement, training and development, job rotation, promotion and remuneration and welfare.
- Human resource schemes and policies have been determined in order to achieve goal of the company's business. Staffs at all levels must comply with the policy that

aimed to improve working environment with variety ideas and respect to each other.  
By relying on good intention of all employees.

- To avoid conflict of interest. The company had policy to forbid directors' spouse to work with the company.

## 2) Practices

- Recruitment process, the company recognizes the importance of development employee since recruiting staff process by adhering to fairness and merit system of the process and by defining feature of the job, education, experience, expertise, and other of recruitment's position. Moreover, the company will select person who is appropriate qualifications, and then will pass to interview process by related person. However, the company had policy to put the right man on the right job by recruit employee from petrochemical and plastic fields to drive the company's accomplishment.

The company strives to create value added service by providing advice and service to our customers starting from production level down to marketing level 87 percent of total staffs graduated from petrochemical engineering and petrochemical science and another employees graduated from management science with working experienced in plastic and petrochemical industry. The company has potential employees with sense of Company ownership who growth along with rapid expansion of the company. Most of them graduated with bachelor's degree or above in petrochemical engineering and petrochemical science which are between 25-40 years old. These employees are young generation that can work for a long time and they will be a part of the company mechanism to drive the company for sustainable growth in long-run.

Besides, there is a vacant or a new position, the company will consider current employees who have a qualification the same as the position to rotation. If there is no current employee to match with the position, the company will recruit from outsiders as second choice.

The company has orientation course for new employee to aware their work process and all operating process of the company. The company has specific to provide

mentor for new staffs in first three months with “On the Job Training” to ensuring them to work with least mistake and utilize such knowledge and competency in appropriate period. The company recognizes in a career growth opportunity of all employees to maintain good employees of the company.

- Talent development, the company had policy to support the training and development of staff to improve the skills of their employees regularly and continuously. The company had training in-house and public lecturers. For training courses were considered according with position of employees efficiency and appropriately.

The company had in-house training by internal speaker and/or expertise outside to share knowledge and valuable experience, public lecturers, going abroad training, and product training from oversea suppliers. Regarding to this policy, employee in every level will be developed and promoted their knowledge in order to serve need and create customer satisfaction and different from any distributor in the market.

- All of the above of the knowledge content of the training, the course will cover various aspects necessary to perform the duties of employees such as a plastic petrochemical and chemical technical course, a personality of selling course, a management course, a warehouse management course, a financial and accounting course, an internal auditing course, an information technology management course, and others.

The company aims to employees are able to share knowledge training to other staff to achieve the knowledge transferring and experience within the organization.

- Creating opportunities for all employees to increase their knowledge, skill and with regard their ability to perform their jobs. Which take into account the principles of equality, fairness the commitment to the company and their career path growth together with the company. In additional, it will lead to customer satisfaction.
- The company had specific to develop succession plan for all management levels in order to strengthen business in long-run and the company will be able to cope with unexpected situation that may affect the business.

- Talent management development scheme is a one of human resource management tool In order to maintain and develop the "talent staff" for maximum worth and good efficiency.
- The company is in the process of developing a succession plan and talent management at all levels of management in the organization. In order to strengthen the sustainability and long-term business
- To provide effective staff development program and cultivating a sense of ownership to all employees
- The company shall promote good team working to be conscious and participation of all employees in order to achieve the company's target.
- Increasing employees communication at all level in order to good working cooperation.
- Provide good welfare for employees as follows ;
  - Healthy and sanitation including medical insurance to help relieve some of the costs of medical care, maternity leave, dental care, fitness and sport center for good health and annual medical check-up.
  - Financial including provident fund and cost of living
  - Recreation including new year party and the company outing.
  - Others including Masters Scholarships team building activities, training and seminar, subvention such as wedding ceremony, maternity, funeral, birthday leave etc.

### 3) To strengthen the capacity and commitment of the employees

- The development of the company

People are the most important of the company's resources; they are critical in driving the business forward and maintain its leadership in the business and sustainable growth. The company is providing a software development with operations in the field of human resource development in a systematic way. This covers all employees in the target group and provides adequate funding for the human resource development

In 2019, the company had set a budget for employee development both inside and outside to lay the foundation for enterprise development as "Employees are smart, very

responsible, and good conscience to achieve the customer satisfaction. The company had established development program for employees to support the work in its entirety.

The company provides a comprehensive program to improve by the position. Employees can take action immediately as follows;

- “Professional Selling Technique for increasing Sales Volume” To encourage sales representatives to know how to prepare, analyze and suggest to customers.
- “Supervisor gets up to speed” To encourage supervisors or leaders to understand a role that important to manage and supervise employees to complete the assignments.
- “Internal process: Sales vs. Support” To encourage sales representatives, sales support to know the processing and reducing the mistake.

The company also encourages employees to learn through in other ways, such as an organized contest that promote the quality of life. S-Curve Project which is the small group activity among employees (Group Activity). By learning all of this was to promote the development, growth, employee organizations (Career Management) and led to the organization of learning (Learning Organization) for the development of their own to lead to career advancement.

- Employee development

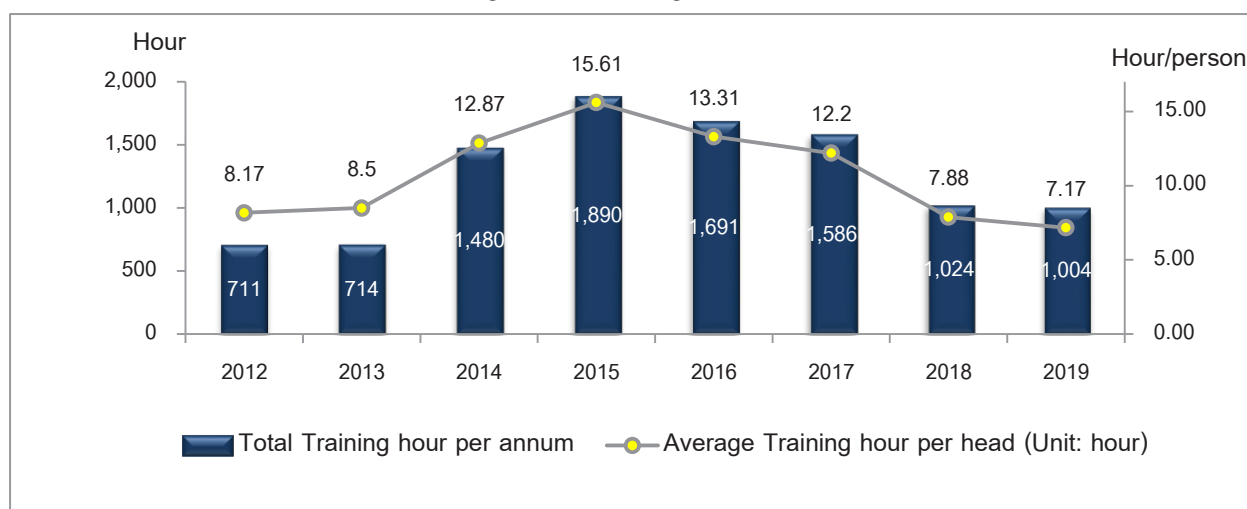
Average training hours per staff is increasing for all level of employee for four consecutive years.

The company expects the number of average training hours per person to continuously improving to be one of the areas in organizational learning.

For the year ended 2019, the company had average training 7.17 hours per head (Total 1,004 hours)



Training Hours during 2012-2019



#### 4) The justification and clear evaluation

The company believes that the key success factor to achieve business goal is that ability to attract and retain people to work in organization, including building the motivation for employees to perform to their full potential. The company defines our performance assessment system at functional and individual levels by starting with work target, planning, follow-up, development, and assessment for individual key performance indicators. This ensures alignment with the performance management of each employee, function and organization by providing the credibility, correctness and fairness that are keys to employee motivation.

- Management performance system of personnel

The company evaluates employees' performance annually in the form of two levels as Corporate KPI and Individual KPI (KPI & Core Competency)

- Corporate KPI shall be established based on the principle of Balanced Scorecard (BSC) which is considered to cover all of dimension by all sectors in organization. Then corporate KPI shall pass from Directors to all management levels and staffs respectively.
- Individual KPI (KPI & Core Competency), all employees shall get individual KPI which reflects to KPI of section, department, and organization and it must be reviewed and consulted by line manager for develop outcome with support in order to define appropriate remunerations.

Our Performance Management System is a continuous process of measuring and assessing knowledge, capability, development progress and effectiveness against specific work targets in line with Functional and Corporate KPI. The performance management system is a tool to measure the performance of each individual at a given moment and assess his or her readiness for promotion in terms of knowledge and capability. The performance management system also enables any knowledge and skill gaps in the next career level to be identified. The results are then used to determine the appropriate next steps of the Career Development Plan in both short and long term. Performance evaluation is conducted 2 times a year: mid-year (June–July) and year-end (November– December).

Performance and progress against Individual Career Plan and Individual Development Plan are annually reviewed by line manager who can then appraise the Career Development Plan of each employee and identify development actions such as training, on the job training etc.

- The company provides first quartile remunerations and benefits compared to industry peers in a fair manner.
- Based compensation of the company as follows ;
  - The company sets our remuneration levels comparable to other organizations in the same industry to maintain and improve the organization’s competitiveness in human resource.
  - The company links corporate performance to individual performance under transparent criteria to establish compensation related to performance (Pay for Performance).
  - The company defines a framework for planning and controlling the budget for remuneration in accordance with the corporate budget plan. with due consideration of ability to make short and long-term payment based on a precise database that allows the budget plan to be revised instantly at any time during the year in accordance with corporate performance.

## 5) Employment fairly

The company recognizes in fairness employment with regard their ability to perform their jobs. Which take into account the principles of equality, fairness the commitment to

the company and their career path growth together with the company. Moreover, the company recognizes the importance of quality of life for employees and their families. The company defined policy of remuneration management and defined practice of employee welfare in long-term that in line with the performance of the company as follows ;

#### 6) Remuneration management policy

Implementing in line with the organization and to employees' performance as described below ;

- Short term compensation: The company sets our levels of compensation in line with those of other organizations in the same industry in order to maintain and improve our competitiveness in human resource management. In addition, the company sets a variable bonus system that is tied to the organization's annual financial performance personal performance in order to motivate employees to achieve the Corporate KPIs each year.
- Long-term compensation: To retain and motivate the employees working for the organization to achieve longer term goals, the company sets a remuneration policy that includes annual merit pay increases, compensation tied to salary, provident fund, etc.
- For the year ended 2019, the company set the first minimum wage for staff who has no skill and experience amounting to 350 Baht which was more than minimum wage law. Moreover, the company had other benefits for staff amounting to 50-140 Baht included lunch, diligence, and goods delivery revenue, totaled minimum wage is amounting to 400-470 Baht per day.

### 15.2.4 Responsibility to customers and consumer

The company priority is customer satisfaction which means customers who use or buy our products or receiver of our products. It is our commitment to have fair prices and excellent high quality products. Moreover, the company emphasizes to safe that may affect social and environment included a customer Injury.

The company operates CSR activities by starting with the survey of customer satisfaction before and after sales services and image of the company. The customer come first priority. Because the customer who affected both directly and indirectly from the

company operation. The customer is in various industries related to the use of polymers and additives, and "employees" are also important stakeholders because "employee" as a major driving force for the company business by delivers quality products and services with social responsibility. As a result, other stakeholders such as public and community partners, shareholders can take benefit from our employees who are “responsible and smart with a good conscience”.

#### 15.2.4.1 Customers and Consumers

Currently business operation have to compete with the time and information needed to make decisions, we have a way for customers to contact the company and request a hearing on the website of the company [www.gc.co.th](http://www.gc.co.th) is the contact center for information of the company and channels for company stakeholders in all groups are fully included.

- Customers can access the company's products and services in the "Products and Services".
- Investor is another group of companies business involved. We create the menu. "Investor Relations".
- To provide all information need for investors. All investors and funds communication will be efficiency exposure [www.gc.co.th](http://www.gc.co.th) feedback via “the contact us” 24 hours a day.

Besides, the company has a customer survey and the evaluation of customer satisfaction was created to develop in every work process.

Assessment data of customer satisfaction is divided into three areas.

##### 1) Sales Services :

The surveys show customers opinion in the following; to be eager to solve the problem, the product instructions and recommend, the wide range of products and overall satisfaction with the company the services and products.

##### 2) Order Services :

The surveys show customers opinion in the following; the ordering speed, the validity of the orders and the courtesy of the staff.

##### 3) Delivery services :

The surveys show customers opinion in the following on time Delivery, the accuracy of the product shipped, documents and the courtesy of the delivery staff.

Customer satisfaction survey covers major customers to explore sales accounted (Sales amount during 1 January – 15 August 2019). Survey result as follows ;

Satisfaction rating for all customer satisfaction. Average score of 96 percent

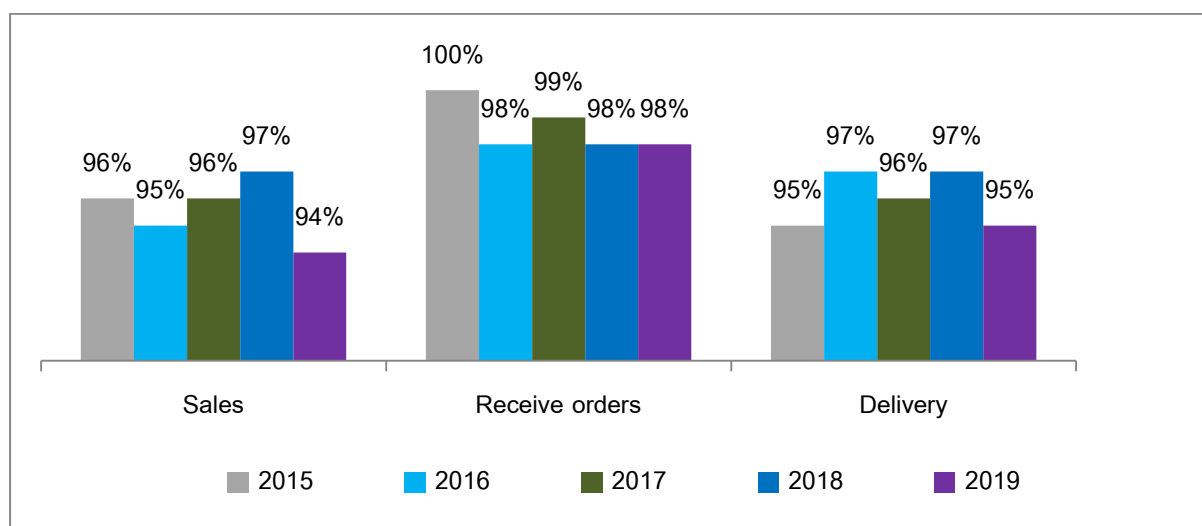
- Satisfaction rating in each issues

1) Satisfaction rating for the service sales: Average score of 94 percent

2) Satisfaction rating for the orders: Average score of 98 percent

3) Satisfaction rating for the delivery: Average score of 95 percent

The bar graph shows a comparison of numbers on customer satisfaction during 2015-2019



### 15.2.5 Contribute to develop the surrounding communities and society (CSR Activities)

The company has a policy to develop and create good relationship with develop the surrounding communities and society. Acting in accordance with culture Giving cooperating to all communities for sustainable create society e.g.

### 15.2.5.1 Reducing pollution

Currently, there are many technology equipment that develop continuously and rapidly but in some of them made of material that harmful to the environment if user use in wrong method e.g. mobile phone

#### Practice:

- ❑ The company is realize about Environmental pollution so there is a campaign to give information about project which the company had joined to directors executives and all employees

### 15.2.5.2 Donation in supporting activities

The company is realize about the communities development so that the company manage any special occasions by donation such as Children's Day Special Religious Days and Supporting activities and contribute to develop community includes in the event of disasters.

#### Practices:

- ❑ Supporting activities and contribute to develop community  
When the company receives an invitation letter, the Human resource & admin department will propose to the authority to consider and approve this according to the company's criteria.
- ❑ Disaster  
The company will donate to alleviate the suffering of those affected and will inform employees to donate together.  
All donations must not conflict to the practice of Anti-Corruption Policy as the company set.

### 15.2.5.3 Healthy and Safety

The company concerned about the safety and health of employees because all employees are the most valuable resource. The company has adopted the occupational health and safety policy as part of business strategy to achieve maximum efficiency and

effectiveness should not harmful to health, be treated fairly and based on the work of the employees happiness by the policy is as follows :

Practices :

- ❑ Protect the health and safety of employees, customers who come into contact at office and People who may be affected. To conduct all activities in a manner that is responsible for the environment.
- ❑ Safety is the first responsibility of every employee in the performance.
- ❑ The company will contribute to improved working conditions and environment for both physical security and conducive to good mental health in the workplace
- ❑ The company shall promote safety activities to be conscious and participation of all employees, such as motivation, training, etc.
- ❑ Supervisors at all levels to act as a good model for leadership training, coaching and motivating employees with a safe.
- ❑ All employees must concern safety for their own, colleague and the assets of the company is constantly working.
- ❑ Employees shall maintain a clean and orderly work area. Safety and hygiene of all employees.
- ❑ Employees shall maintain and cooperate in projects relating to occupational safety and health of the company.

For the year ended 2019, the company campaign the directors, the executives and all employees to join healthy and safety course as follows

- ❑ In 2019, the company had no employees injured at work.
- ❑ The company recognizes the importance of employees' safety at work and has training activities continuously. The company identifies that Warehouse officers, Transport driver officers and Technical service officer have to use Personal Safety equipment while working and there is an investigate follow up progress and warning if they don't follow the rules.
- ❑ The company giving the flu vaccine out for free in every year



## 15.2.6 Innovation for Corporate Social Responsibility and Stakeholders

The company realizes that innovation creation of product is a key that lead to success so the company has policy to search for innovation product that add value to stakeholder and be environmental friendly products.

### 15.2.6.1 Supporting to educate communities and society.

The company appreciate that innovation creation has to implant to children, youth and students to have knowledge and ability to build on their skills.

#### Practices :

- ❑ When the company has occasion to educate in Polyethylene Resin Petrochemical or special technique the company be pleased to send director, executive or employee who in charge of to join the event for the benefit of society.

#### In 2019, the company educated to society as follow

- ❑ The company started a knowledge sharing project about plastic and petrochemical for students and others who interested.

### 15.2.6.2 CSR and Innovation (CSR in-Process)

The company and Technogreen Co., Ltd. collaborated to develop a new innovative products for the prevention and removal of slag, and the cleaning oil stains which is biodegradable ingredients in natural and environmentally friendly within brand “MICRO-NICE.”. This products channel are the sustainable growth about environmental into the business to contribute to the sustainability of the environment as a whole.

Moreover, the company considers the importance of satisfying the customer and building environmental sustainability into its business process with a substantial social responsibility (CSR In-Process).

## 1) About MICRO-NICE®

Technogreen Company Limited was established in 1992 to deal with environmental management and waste water treatment. Thus the team research led to the invention of several cleansing products and preventing process based on local botanical extracted under the smart phytochemical name “MICRO-NICE.”. with tremendous effort in research and development local botanical source that could help support environmental care

MICRO-NICE. is set up to call the natural extracts (Phytochemical) in Thailand (Botanical Extract from Locally Plant) which is degradable in nature 90 percent, so that the product can replace the use of chemicals that are harmful to living things.

Ingredient of MICRO-NICE. contains natural substances with special properties, such as reducing a surface tension, reducing electrostatic charges, biodegradable in nature and reducing the accumulation of mucus that adhesion of oily and any dirt. In additional, MICRO-NICE. also working with microorganisms and enhancing the strength and potential microorganisms to decompose organic matter in the water and ecological efficiency.

## 2) Water cooling service by MICRO-NICE® products

Service process by MICRO-NICE. products is clean the water cooling tower and is able to keep efficient cooling and save power energy.

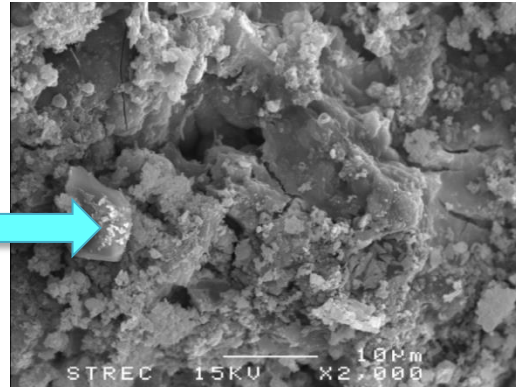


3) Compare the pros and cons of the system in Cooling Tower using chemicals to the Micro-Nice. D5

Chemicals		MICRO-NICE <sup>®</sup>
1	To reduce some slag	To reduce and protect all slag continuously
2	To modify and increase the use of chemicals	To use Micro-Nice. in fixed ratio as the instructions
3	To drain and add water to wash and clean at all times	Don't release effluent and the water in the system can be reused
4	To must be shut down for cleaning and maintenance any times	To reduce process of cleaning and maintenance
5	More power energy and costing	To reduce power energy and save cost
6	Not safe for worker and system	To safe for worker and system
7	Pollutes the environment	Environmentally friendly

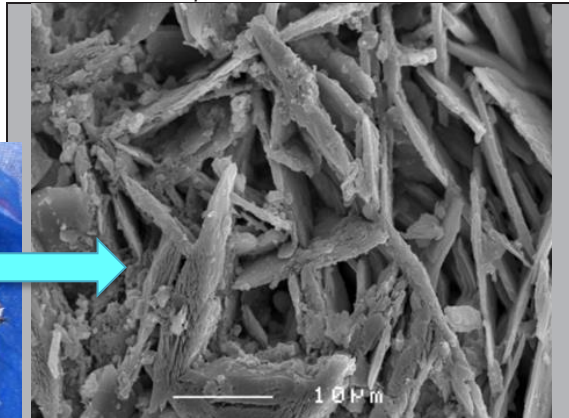
#### 4) Scale fragments by MICRO-NICE®

- Before using MICRO-NICE - Slag from filter



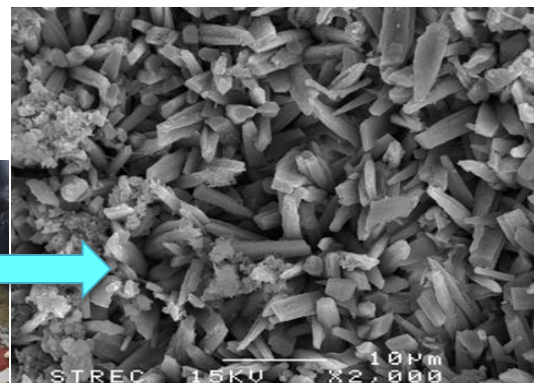
(Magnified of slag 2,000 percent)

After process 2 months - Slag at filter of Cooling Tower (Cross Flow)



(Magnified of slag 2,000 percent)

After process 6 months - Slag debris fell into the mud Basin of Cooling Tower (Cross Flow)







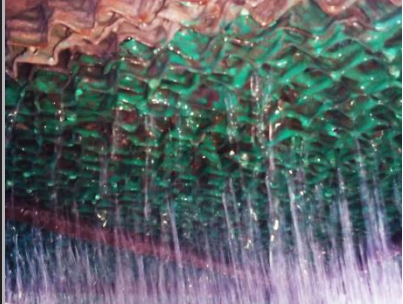



(Magnified of slag 2,000 percent)



5) Result physical picture - Clean system

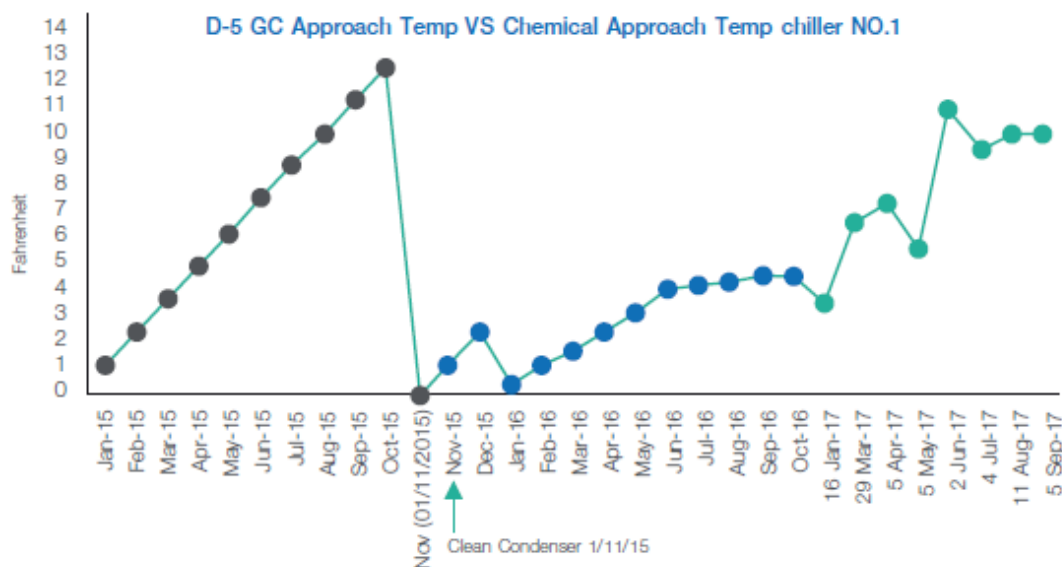
■ Comparison

Cooling Tower Style	Before using – MICRO-NICE® products	After using – MICRO-NICE® products
Cooling Tower –Edge <u>After using</u> - Outside is clean		
Cooling Tower – Edge (Between filler) <u>After using</u> - Don't found slag		
Cooling Tower- Edge (Spread top rails) <u>After using</u> - No clogging algae, cause water to flow freely without obstruction because the distribution water off the rails to reduce the problems caused.		
Cooling Tower – Circle <u>After using</u> - Scaling the rock solid filler between the round takes a lot to dislodge but no new solid slag.		

Besides the physical work of the above substances MICRO-NICE. also helps slow down the rise of the approach tem. of chiller. As a result, customers can save energy and

prolong the use of electricity, cleaning of refrigeration (chiller) can be determined by the temperature of condenser before and after using the following graph.

Water temperature in the cooling tower was dropped back to be taken care of the company



**Before using - MICRO-NICE®**

(January – November 2015)

**After using - MICRO-NICE®**

(December 2015 – October 2016)

**Stop using - MICRO-NICE®**

(January - September 2017)

Note : Approach temp. (CH01) is indicate increasing of the scale thickness to resist the heat exchange area which is the source of the electrical consumption of refrigeration (Chiller).

- ❑ Before using GC Solution: The Approach Temp. increased from 1°F to 12.5°F in 11 months
- ❑ During using GC Solution: The Approach Temp. increased from 1°F to 10°F in 23 months which help to postpone the rise of the approach tem. more than twice and the highest approach temp is still lower than using of chemical (Before using GC Solution)
- ❑ Stop using GC solution: The Approach Temp can postpone the rise of the approach tem. which spent 12 months to rate at before using GC Solution.

### 15.3 Environmental pollution as negative externality -None-

## 15.4 Social and Environmental Activities (After Process)

### 15.4.1 Take care of environment

The company strives to evolve and implement our Corporate Environmental Policy and complying with environmental laws and regulations. The company is well aware of our full accountability and responsibility to the environment and the community. Therefore, we have developed guidelines to focus on pollution reduction alongside environment improvement which will ultimately preserve the natural environment through the commitment of the company's environmental policy.

#### 15.4.1.1 Practice of take care of environment

- 1) The company is engaged and complied in environmental laws and regulations.
- 2) The company will promise in introducing and promoting product made from natural resource and/or environment friendly.
- 3) The company will manage and control the product distribution procedures to prevent any harm that may occur to company employees, customer and community in terms of safety and health.
- 4) The company will effectively utilize natural resources and energy by promoting energy-saving activity, voluntarily alleviate the global warming problem and enhancing the environmental friendly atmosphere.
- 5) The company will strengthen the knowledge and lead the engagement of employees for valuable contribution to environment through various activities and training.

#### 15.4.1.2 For the year ended 2019, the company strived all employees regard their social responsibility

- 1) The company aims to prevent environmental impact by using technology which has environmental standards and regards to pollution control such as maintenance the company's vehicles emission to a minimum and/or meet the criteria set forth by the Department of Transportation.
- 2) The company aims to use resources efficiently
  - Reusing resources e.g. Using recycled paper



- Saving electricity e.g. turn off the air conditioner and the lights in the room which have no person or out of the office a long time
- Reducing water consumption turn off the faucet after use
- Waste Segregation

In 2019, The company joined Reducing pollution (After Process) as follows:

- ❑ “The charity old GPS” which donated to Faculty of Engineering (Telecommunications), KMITL In order to educate.
- ❑ “Aluminum Donation 2019 ” which donated to the Pollution Control Department (PCD) for the purpose of a prosthesis.
- ❑ “The charity straw old for bedridden ” which donated to Thailand Textile Institute.

For the year ended 2019, the company donated in supporting activities as follows:

- ❑ The company donated on Children’s day in 2019 to schools where are near the company totaled 9 schools included Bang Kaew School Wat King Kaew School, Wat Bang Plee Yai Nai School, Wat Pan Prasittharam School, Sulao Ban Rai School, Wat Nharm Dang School, Wat Klong Jaroen Rad School, Wat Klong ladkabang school and Wat Khotaram School.
- ❑ “The charity old mobile phone” which donated to the Association of Person with Physical Disability International and the Association to recycle and sold. Including subsidize for the medical appliances.

### 15.4.2 Anti-Corruption

The company aims to conduct business with fairness and compliance with laws and regulations and commitment to social responsibility and stakeholders in alignment with the principle of Corporate Governance. The company realizes that corruption is harmful and obstacle effects on social and economic development. The company has a clear direction to cooperate with and support government as well as private sectors. It, thus, formulates the Anti-Corruption Policy in accordance with regulators’ guidelines and “the Private Sector Collective Action Coalition against Corruption (CAC)” as the key principles for directors, executives, and all employees to follow. Furthermore, The company held the seminar for directors, executives, and all employees to understand, and practice correctly. The Anti-

Corruption policy was recorded in the company's Code of Conduct so that everyone can study by themselves.

The company received certificated membership of Collective Action Coalition Against Corruption or CAC. As a member of CAC on 10 November 2017 The company has joined the announcement and has passed a self-assessment process which has been reviewed and endorsed by the Chairman of the Audit Committee. The process ensures that the company checked in place of anti-corruption policy and principle completely according to the criteria of CAC. The company emphasizes the business operation that strictly abides by Corporate Governance principle for standard of transparency corporate and creating sustainable growth

#### 15.4.2.1 The Anti-Corruption policy

Directors, executives, and employees of the company must not request, act, or accept any form of corruption, neither directly nor indirectly, for the benefits of the organization, themselves, their families, friends, acquaintances, or their businesses. The policy applies to all business of the company in any countries and all relevant units. Verification to ensure compliance with the Anti-Corruption Policy is to be conducted on a regular basis, including reviews of guidelines and requirements to ensure alignment with the changes in business, regulations, rules, or official requirements. In case of breach of the policy, any act considered as facilitative to, or implicated in corruption, shall be subject to penalties as stipulated by the company's policies.

##### 1) Duties and Responsibilities

- The Board of Directors undertakes its duties and responsibilities to formulate and approve the Anti-Corruption Policy, as well as ensure that efficient system for countering corruption is provided to help the Management recognize the importance and put the Policy into practice that it becomes a part of organizational culture including assigned The executive committee to conduct ensuring the company compliance with the Anti-Corruption Policy.
- The Audit Committee undertakes its duties and responsibilities to conduct reviews ensuring the company's sufficient internal control and full compliance with the Anti-Corruption Policy

- The Executive Committee undertakes its duties and responsibilities to ensure that systems are established, supports are provided, and supervision is carried out to ensure that all employees and related parties' practice are fully in compliance with the Anti-Corruption Policy. The responsibilities also include reconsider on suitability of the systems and measures to accommodate changes in business, regulations, and official requirements. To assess corruption risks to prevent the corruption risk and to find the practice, internal control, reducing impact that may occur in the future.
- Internal auditor's responsibilities are auditing and reviewing the policies, principles, delegation of authorities and related law to ensure that the company has a properly internal control for a corruption risk.
- The Internal Audit team reports the executive committee then report directly to the Audit Committee and the Board of directors respectively in time as its matter.
- If any urgent issues, the Internal Audit can report directly to the Executive Committee, the Audit Committee and the Board of directors via email or messenger immediately. No need to wait for the meeting.
- Directors, executives, and employees shall fully comply with the Anti-Corruption Policy and shall not be involved, directly or indirectly, in corruption.
- If there are any complaints, the company will investigate to find the fact as "Receipt of Complaints and Whistle Blowing Policy" and result of investigation shall be subject to penalties as stipulated by the company's policies.

The company set penalties base on three levels of offence which are an oral warning, warning letter and discharge.

## 2) Scope and practice guideline on control to prevent the corruption risk

The company requires directors, executives and employees at all level to be cautious against corruption in performing their duties as per detail below.

### 2.1) Offering and accepting bribes

Offering or accepting bribe of any form in exchange for business advantages is prohibited. This includes delegating other person to commit such actions.

Example of Offering bribes e.g. paying or authorize the payment of money to the government officials and business trader for purpose of influencing the acts or decisions of such persons or parties both direct and indirect way. May all above is “*Offering bribes*”

## 2.2) Political contributions

It is the company’s policy to not provide any contribution to political parties, political group or politicians, either directly or indirectly.

Practice guideline offering and accepting bribes and political contributions on monitoring the risk of corruption as below.

- The company is determined to create and sustain the organizational culture of zero tolerance of corruption which is the best way to prevent the risk of corruption.
- The Audit team undertakes its duties and responsibilities to conduct internal control systems, manage corruption-risk, review corporate governance, provide suggestion continuously, and report to the Audit Committee on any significant finding. However, all audits will apply to the annual audit plan that has been approved by the Audit Committee.
- The Audit team and the Executive Committee undertake their duties and responsibilities in testing and evaluating risk of corruption to ensure that the company has practice, monitor, review and revisit the Anti-Corruption Guidance effectively. Report of any significant findings will be submitted to the Audit Committee and raised to the Board of Director Committee in time.
- The Audit Committee will report result of investigation to the Board of Directors in time when they ensure that there is significant fraud/corruption and effect to result of the financial position, operation, laws, code of conduct, corruption practice, or internal control in order to revise in the appropriate time period

## 2.3) Gifts, Properties or Other Benefits

Giving or acceptance of gift, or properties, or other benefits must be in reasonable occasions norms such as the tradition/culture or a courtesy practice in social to receiver who do not influence to decision-making of the company’s benefit.

#### Practices as below

- Employees and/or their family, must not request gift, properties, or other benefits from contractors, vendors, suppliers, joint-venture, partners, or those related to the company's business.
- Employees at all level should not give, or accept, or promise to give any benefit or anything of value to influence to perform or refrain from performing their duties.
- Employees at all level should not give any presents to their superiors, moreover the superiors should not accept or let their relative person accept them, except the usual tradition giving to each other, but the present value must not exceed Baht 3,000.
- The company can give presents, or properties, or other benefit on several occasions that do not influence in making decision for the company's benefit, both in local and foreign  
Nevertheless, the value of the presents, or properties, or other benefit should not exceed Baht 3,000 such as
  - The company's 30th anniversary celebration, or the company's cooperation signing ceremony, or the company's award participation in social responsibility activities
  - The tradition/culture or a courtesy practice in social to receiver

Remark: If the value is over Baht 3,000 this giving must send to Administration for written document and it must belong to the company ownership.

#### Approval

- Gifts or Other Benefits
  - Not exceed Baht 3,000      Original affiliation until manager for approval.
  - Over Baht 3,000      Chief Executive Officer or Chairman of Executive Committee for approval
- Welcoming party according to the company standard.

### Example of Giving or acceptance of gift, or properties, or other benefits

- In the New Year festival the partners/supplier of the company give a gift that cost about Baht 10,000 Would you receive it?

Suggestion: Before receive a gift you should consider about suitability such as If you received a gift, the person who gave had an influence in making decision for the company's benefit or yourself or having any interest conflict or obligation of your work or capacity value of the gift such as in providing process and you have a decision-making power.

Practice: In this case, it's the tradition practice in social that you can receive a gift when it's new year festival but it's costly over baht 3,000 which means you have to refuse it and send the gift back to the giver if not, You can send it to Administration for written document and it will be the company's prerogative.

- The construction company holds a welcoming party and you were invited to the party on behalf of Global Connections Public Company Limited. Would you go there? And if you go and get a smartphone which cost about Bath 30,000 from a lucky draw, would you receive it?

Suggestion: Examples are divided into 2 cases which are inviting to the party and receiving the gift from a lucky draw.

#### Practices:

- The welcoming party should be a normal party that invite other customers and estimate catering value per person not over than Bath 3,000. But if over than that you have to inform Administration for written document.
- You can receive the gift from a lucky draw which is a random not a specific gift.

- How the employee who working aboard consider after receive a gift from trader/supplier or joint venture?

Practice: You can receive a gift then give it to Administration for written document and a gift would belong to the company ownership.

- Can you go if you are invited to travel or play golf by the person that has a business relation of Global Connections Public Company Limited and the event isn't arrange by the company?

Practice: The company emphasizes the good relationship between the company and traders/suppliers

or government agencies or others that you have to follow the step of receiving asset or other benefit correctly.

#### 2.4) Charitable/public benefit contributions and sponsorships

Offering or accepting charitable/ public benefit contributions or sponsorships shall be transparent, lawful, ethical, and does not cause any damage to the public.

##### Practices:

- Offering or accepting charitable/ public benefit contributions or sponsorships shall not be used as subterfuge for bribery.

- Donation and sponsorships are divided into two groups as follow.

(1) Giving must be in reasonable occasions norms such as Buddhist ceremonies and Children day

that according to approval budget of the board of directors or in case of request, an administrative officer propose to an authorized for approval

(2) For special giving of request, an administrative officer propose to an authorized for approval.

##### Approval:

- The usual tradition giving, as approved by chief executive officer position onwards
- Special giving, as approved by Executive director.

The company is determined to create and sustain the organizational culture of zero tolerance of corruption when dealing with both government and private sector

Directors, executives, and employees at all levels shall not be negligent when witness any action of possible corruption related to the company, and shall report the matter to his/her superior or the responsible person and give full cooperation in investigation. Channels for hearing any complaint from external parties shall also be provided. In this regard, it shall be in compliance with the company's regulation.

The company must be fair and protect employees who refuse to associate with or give information about corruptions. Accordingly, the company shall no demote, punish, or cause any negative consequence to such employee, although his/her action may lead to the company's loss of business opportunity.

A person who commits the corruption is equivalent to misconduct in the company's code of conduct. This means such person is considered as discipline violation according to the company standard. Conviction on laws may be applied in case such act violates the laws.



The company's directors and executives at all levels shall demonstrate integrity and be a role model in following the Anti-Corruption Policy. The Compliance and Human Resources teams are assigned to educate, promote understanding, and encourage all-level employees to strictly and continuously adhere to the Anti-Corruption Policy so that it becomes a part of organizational culture.

### 3) Communication within organization.

The company stipulates that supervisors at all level have to communicate with all employees for responsible business activities and efficiency practice accord with policies.

More information or any questions about Anti-Corruption Policy, employee can ask their supervisor or human resource department or company secretary.

#### Practices:

- Orientation Course for new employees
- Staff meeting twice a year
- Testing in every year (in July)
- Prepare Business Ethics and Code of conduct - Executives and employees and Anti-Corruption
- Policy for all employees.
  - New staff gets them in orientation course
  - Update version send via e-mail to all employees.

#### Topics of orientation as below ;

- Definition and meaning of Anti-Corruption Policy
- Roles, duties and responsibilities of each person
- Penalties
- Scope and practice guideline
- Channels to inform about Receipt of Complaints and Whistle Blowing Policy by emphasize that the company will not demoted or penalize employee who refuse corruption even though that transaction will destroy business occasion.

(Person in charge of = Human Resource Department)

## Training Calendar

Human resource department will proceed as follows

Course	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Orientation Course (if any)	x	x	x	x	x	x	x	x	x	x	x	x
Staff Meeting	x											
Testing	x											

The Anti-Corruption Policy also encompasses human resources management procedures of recruitment, selection, promotion, training, and performance appraisal. Superiors at all levels are in charge of communicating to their teams creating understanding and enabling all employees to apply the policy to business activities within their scope of work as well as monitoring to ensure effective application of the policy.

Any action taken under the Anti-Corruption Policy shall be in accordance with guidelines stipulated in the company's "Corporate Governance Policy", "Guide to business Conduct", related working manuals, as well as any additional guidelines to be formulated in the future.

The company stipulates that communication and public relation activities of Anti-Corruption Policy be carried out via both internal and external media e.g.

- The company's website
- (Form 56-1)
- Annual report (Form 56-2)
- Sending a letter to inform traders, customers and corporate representatives about the Anti-Corruption Policy and ask to follow the policy. Such policy of the company is in compliance with Thai countering corruption laws.

### Practices:

- Institute that contacts with traders customers and corporate representatives creates a letter as the company form and send to outsiders according to an approval list by Management Meeting.

- The company will send the letter to traders customers and corporate representatives (new) according to an approval list by Management Meeting within a month.
- The company will send the letter to all corporate representatives.

#### 4) Definition

- Virtue

The company will express personal virtue and encourage doing thing as believe by doing the right things and not interfere with any influence. Have patience, restraint on benefits. GC is strictly abided by the Business Ethics with respect and fairness. Not derelict principles for one purpose and become someone who has no morals.

- Compliance with laws and regulations

The company expects that all employees sticky adhere to decision and doing business subject to laws. Including, behaving or done in a way that is morally good and right.

- Government officers

Including, State Enterprise Employees, Employees, Representatives or others e.g.

- Ministry Bureau Department or Office such as Customs Department, Immigration Bureau etc.

- International organization such as World Bank, International Monetary Fund etc.

- Political party, Political Position, Candidate both government and opposition party or local administration.

- Institute with regulatory authority such as Securities and Exchange Commission Thailand, Bank of Thailand, The Stock Exchange of Thailand etc.

- State Enterprise or government-owned companies

Anti-Corruption Policy was approved in the board meeting of 3/2017 on 10 August 2017 and revoked the old policy that was approved in the board meeting of 5/2014 on 18 December 2014



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## 16 MAJOR EVENTS IN 2019



### 16.2 Outstanding Investor Relations Awards 2019

Miss. Pornpimol Torpaiboon, Chief Executive Officer of Global Connections Public Company Limited recently received the Excellence Awards and was a nomination for the Investor Relations Awards for listed company worth less than 3,000 Million Baht in the SET Awards 2019, which was honored by Mr. Manpong Senanarong, Senior Executive Vice President, Head of Issuer Marketing Division, In order to praise, esteem and encourage the listed company which has an outstanding performance in investor relations to reflect the importance of participation to make sure shareholders and investors. At the Stock Exchange of Thailand on 26th November 2019. GC will keep all existing and potential performance to drive a sustainable corporation

### 16.1 The excellent establishment on labour relations and welfare, National award 2019

Global Connections Public Company Limited “GC” received the Honorable Awarded for Labor Relations and Labor Welfare in 2019 from the Department of Labor Protection and Welfare. In order to praise, esteem and encourage the companies which have excellent labor management. GC has been received honorable awarded of the achievement for 8 consecutive years, emphasizing their organization as an organization that values employees and focuses on conducting business with good governance.







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# 17 INTERNAL CONTROL AND RISK MANAGEMENT

## 17.1 Board of Directors' Opinion on the company's Internal Control System

Board of directors and Executive management recognizes that internal control system is important mechanism provides executive management with increased confidence that the system is reducing business risk and increasing efficient business operation which is included resource allocation appropriately and achieve objective of the company.

Board of directors commissioned the Audit Committee has a duty and responsibility in review the appropriateness and effectiveness of internal control system which the executive management provided it to ensure that the company has adequate internal control system in the risk management, protect the company's assets from lost or used by unauthorized person, compliance with laws and regulations, and correctness and assurance of the financial statement.

In addition, the Audit Committee considers the independence of the internal audit department, and considers the appropriateness and adequacy of personnel in such department, approves the appointment and dismissal internal audit manager.

Audit Committee reviewed appropriate and efficient the internal control system and the internal audit by considered in conjunction with the internal auditor and reported to Board of directors to inform or consider in quarterly. In the prior year, Audit Committee has expressed their opinion and recommendation to executive management on matters material. Furthermore, the external auditor, who is EY Office Limited and audited financial statement of the company for the year ended 2019, have jointed meetings with Audit Committee and expressed the opinion that the internal control system of the company was satisfactory level and not found error/weakness to have significant impact on the opinion of the external auditor.



In Board of directors meeting No. 4/2019 as of 8 November 2019, Audit Committee attended the meeting. Board of Directors has assessed the adequacy of internal control system annually by the Securities and Exchange Commission's form in accordance with COSO (The Committee of Sponsoring Organizations of the Tradeway Commission) which included the control environment, the risk management, the control activities, the information and communication, and the monitoring activities. Board of Directors agreed that the company performed to COSO appropriately.

## 17.2 Different opinions during the Audit Committee and the Board of Directors Committee

- None -

## 17.3 Information of head of internal audit and compliance department

The company has appointed Ms. Pornpimol Torpaiboon has been appointed acting as internal audit manager since 1 December 2019, which was approved by Audit Committee. The committee had considered her qualification, knowledge, and experience of internal audit task, had concluded that she has the right to perform duties appropriately. However the company will search for internal audit manager.

In order to consider and approve the appointment, transfer and dismissal of the incumbent internal audit manager of the company must be approved by the Audit Committee.

## 18 RELATED TRANSACTIONS

### 18.1 Related transactions for the year ended 2017 2018 and 2019

(Unit : Million Baht)

Related Company /Person	Description of Relations	Description of Transactions	Size of Transactions			Necessity and Reasons of Transactions
			2017	2018	2019	
Integrity Plastics Company Limited	<p>Mrs.Nisaporn Sirijuntanan (The shareholder and director of the company.) is the major shareholder of such company</p> <p>** Mrs. Nisaporn Sirijuntanan was a former major shareholder and director of such company but she resigned from director on 25 October 2018. However, she still be a major shareholder of such company.</p>	The company sold the instant petrochemical products. As of 31 December 2017, 2018 and 2019 the Company has accounts receivable amounted to Baht 0.48 Million, Baht 0.42 Million and Baht 0.24 Million, respectively.	2.40	2.58	1.98	These transactions were Normal business between the company and our customers. Audit Committee considers that they were normal business and selling prices were the related market prices
		The company hired mix-product, As of 31 December 2017 , 2018 and 2019 the company had accounts receivable amounted to Baht 0.17 Million and Baht 0.66 Million and 0.83 Million ,respectively.	6.78	6.07	5.40	The company must to hire mix-product to meet our customer's satisfaction and to develop products. Such company agreed to keep confidential the formula. Audit Committee considers that they were normal business and selling prices were the related market prices

(Unit : Million Baht)

Related Company /Person	Description of Relations	Description of Transactions	Size of Transactions			Necessity and Reasons of Transactions
			2017	2018	2019	
Integrity Plastics Company Limited (Continued)	<p>Mrs. Nisaporn Sirijuntanan (The shareholder and director of the company.) is the major shareholder and director of such company</p> <p>** Mrs. Nisaporn Sirijuntanan was a former major shareholder and director of such company but she resigned from director on 25 October 2018. However, she still be a major shareholder of such company.</p>	As of 31 December 2017 , 2018 and 2019, the company had advance payment for goods amounted to Baht 2.27 Million , Baht 0.00 Million, and Baht 0.00 Million respectively.	26.78	19.74	0.04	A supplier defines selling policy that it must to sale products to converter only and cannot sale to agent. Thus, the company will purchase its product through Integrity Plastics Company Limited who is converter. Such company provides selling price at cost plus margin. Audit Committee considers that they were normal business and selling prices were the related market prices
<p>Director and management are two persons included</p> <p>1 Mr. Somchai Kulimakin</p> <p>2. Mr. Veera Kwanloetchit</p>	The company's directors and management.	The company sold car in the position to director and management who had right to purchase according to the Company's regulation effective since 2006.	2.18	0.00	0.00	Audit Committee considers that such transactions are according to the company's regulation.

## 18.2 Procedure of approval related transactions

For the normal business, the company's policy defines that their transactions should be considered by Audit Committee or External Auditor or Independent Specialist about reasonable price and transactions.

For the related transactions that may occur in the future, the Board of Directors should consider and control to comply with the laws and regulations of the Securities and Exchange Act or the announcement and regulations of the Stock Exchange of Thailand. As well as compliance with the disclosure of related transactions and the acquisition or disposal of significant assets of the company or the subsidiary in accordance with the Accounting Standards of Federation of Accounting Professions (FAP).

For the abnormal business of related transactions, the Audit Committee considers appropriation of the transactions. If the related transactions are complex, the Audit Committee is able to invite the professional person or the external auditor of the company to consider together. Furthermore, the company had disclosure related transactions in note of financial statement which was certified by external auditor of the company.

Stakeholders who have benefit in the transactions cannot vote or approve such transactions

## 18.3 Policy and trend to have related transactions in the future

In the future, the company has almost related transactions as purchase and selling transactions which must to be complied with procedure of approval related transaction follow Article 18.2



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## 19 REPORT OF THE AUDIT COMMITTEE

To: The shareholders

The audit committee of Global Connections Public Company Limited has been appointed by the board of director's meeting. The committee consists of three independent directors as follows;

1. Mr. Thanee Puttipanpluck Chairman of audit committee
2. Mr. Suchart Suphayak Audit committee
3. Mr. Chanitr Charnchainarong Audit committee

In 2019, the committee performed their duties cautiously and independently without the restriction to access the company's information. The committee held totally four meetings which joined the discussion with the internal auditor and the external auditor, as summarized as follows;

1. The committee reviewed quarterly and annual financial statements for the year 2019 included the external auditor. The committee concluded that the financial statements had complied with Thai Financial Reporting Standards and had disclosure adequately, completely, and reliable information, and commented that the external auditor had performed their duties appropriately according to the auditing professional standards.
2. The committee reviewed and approved the annual internal audit plan for the year 2020 and commented that the plan was prepared appropriately and covered with business operation and significant risk factors in accordance with the company's risk assessment that was reviewed and approved by the audit committee.
3. The committee reviewed the internal audit tasks to ensure that comply with the audit plan and had meeting with the internal auditor independently to inquiry and give suggestions that are useful to the company. Moreover, the committee had followed significant internal audit issues continuously. Finally, the committee concluded that the company's internal audit system is appropriate for the operating business.
4. The Committee reviewed and provided recommendations on developing the internal control and risk which may arise with the company. However, the committee concluded that the internal controls are able to protect and reduce the significant risk, and ensued that the company complies all internal controls.

5. The committee reviewed compliance with a regulation of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other laws which related to the company's business. The committee concluded that the company complies with a related laws and regulations and did not found error.
6. The committee reviewed the connected transactions or the potential conflicts of interest transactions and the disclosure of certain transactions. The committee concluded such transactions had reasonability, compliance with the normal operating business, and disclosure in accordance with the regulations of the Stock Exchange of Thailand.
7. The committee considered and proposed the appointment, transfer, and dismissal the external auditor. Also determine and approve auditor's fee. However, the committee considered the performance, independence, and qualification of the auditors which they must to get approval from the Securities and Exchange Commission. After that proposed to the board of directors and will in turn submit in the AGM. In 2020, the Committee recommended the appointment EY Office Limited as the company's external auditor. There are three persons as follows;
  - 1) Mr. Chatchai Kasemsrithanawat, Certified Public Accountant (Thailand) no. 5813 and/or
  - 2) Ms. Chonlaros Suntiasvaraporn, Certified Public Accountant (Thailand) no. 4523 and/or
  - 3) Ms. Sirirat Sricharoensup, Certified Public Accountant (Thailand) no. 5419

Any one of the company's external auditor for the year ended 31 December 2020.

On the whole, the committee had performed and fulfilled according to the Audit Committee Charter which was approved by the board of directors. The committee agreed that the company had an accurate accounting and financial reporting practices and the disclosure connected transactions, an appropriate the internal control system, a compliance with good corporate governance, laws and regulations related to the company's business, and with an ongoing operating system development plan for quality enhancement appropriate for the company's environment and business.



(Mr. Thanee Puttipanpluck)

Chairman of Audit Committee

Global Connections Public Company Limited



## 20 CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE REPORT

### To : The Shareholders

In 2019, Corporate Governance, Nomination and Remuneration (“the CGNR”) Committee consists of three directors as follows ;

- |  |                            |
|--|----------------------------|
| 1. Mr. Suchart Suphayak (Independent Director) | Chairman of CGNR Committee |
| 2. Mr. Sumruay Tichachol                       | CGNR Committee             |
| 3. Mr. Bhija Jriyasetapong                     | CGNR Committee             |

In 2019, the CGNR Committee performed their duties cautiously as assigned by the Board of directors. The CGNR Committee held totally 2 meetings to consider the issues in their responsibility as summary as follow :

### Corporate Governance :

- 1) The Committee reviews the result of corporate governance rating and corporate governance policies and Code of Ethics in order to develop and enhance the company corporate governance level.
- 2) Consider the guideline and policy recommendation the code of conduct, according to good corporate governance and propose to the Board of directors for approval. In order to define the procedures of the company’s practices to be standardized and correct approach.
- 3) Prepare the corporate governance report/the performance of the CGNR to the Board of directors.

## Nomination :

- 4) Consider re-appointing the retiring directors by rotation and propose to the Board of directors. In this regard, the CGNR considered that the retiring directors have suitable qualification and properly perform their duties as the directors. Including, giving comment and suggestion that benefit the company operation and shareholders.
- 5) Consider to create succession plan of chief executive.

## Remuneration :

- 6) Consider and propose the remuneration of directors and other sub-committees to the Board of directors.
- 7) Consider the remuneration of the Chief Executive Officer for proposed in the Board of directors.

With regard to the responsibilities assigned, performance and overall of the company performance.

In 2019, the CGNR has performed the assigned duties with transparency, carefulness, integrity and independently pursuant to corporate governance principles by always taking into consideration the maximum benefits of the company and all stakeholders.



(Mr. Suchart Suphayak)

Chairman of the Corporate Governance,  
Nomination and Remuneration Committee  
Global Connections Public Company Limited

## 21 STATEMENT OF BOARD OF DIRECTORS - RESPONSIBLE FOR THE FINANCIAL STATEMENT

The Board of directors has realized the importance of its role and responsibility on implanting the corporate governance principle into the company's management. This also means to ensure that the company's financial statement and financial information in the annual report is accurate, complete and in line with Thai Financial Reporting Standards; thus, reflecting the actual financial status and operational results of the company and disclosing adequate important information to stakeholders and investors.

In this regard, the Board of directors has focused on improving the management structure and internal control systems to boost the creditability of the company's financial statement. Such improvement also helps guarantee that the company is equipped with an effective system to monitor its assets and to prevent serious misconducts and other operational irregularities of the company.

The Board of directors has appointed the Audit Committee comprising of a number of independent directors, who are fully qualified under the requirements by the Stock Exchange of Thailand. The Audit Committee is mainly responsible for maintaining the quality of the financial report and internal control systems. It is also responsible for any disclosure of connected transactions. The Committee's reviews on such matters will appear in this Annual Report and form 56-1 under the Audit Committee's Report.

The Board of directors is of the opinion that the overall internal control systems of the company can be regarded as "satisfying". Therefore, the Board is confident that the company's financial statement as of 31 December 2019 reliable and is audited in line with Thai Standards on Auditing by the company's auditor so it reflects an accurate financial status and operational results of the company as required by Thai Financial Reporting Standards



(Mr. Virah Mavichak)

Chairman of the Board

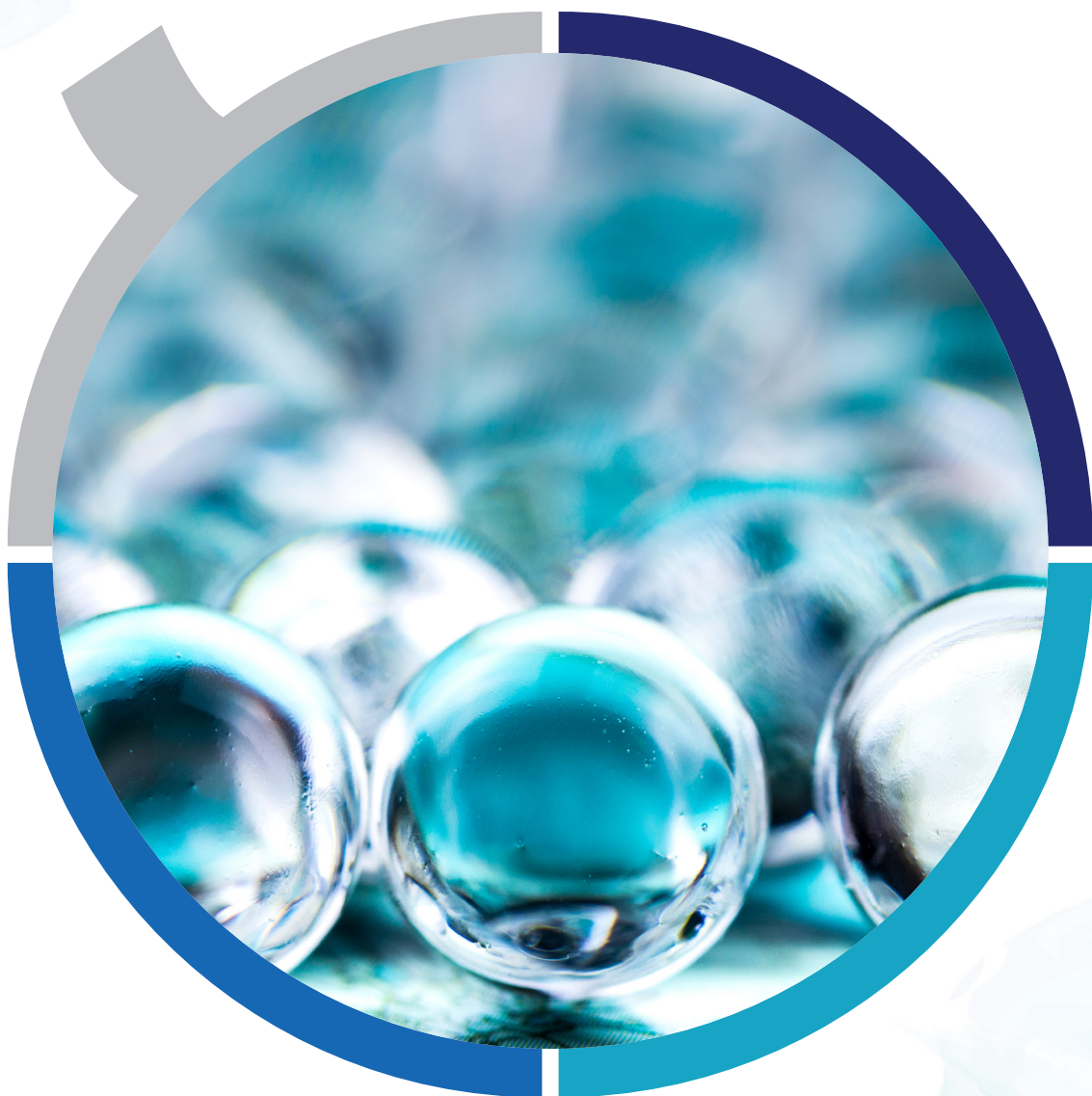


(Mr. Somchai Kulimakin)

Chairman of Executive Committee



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## 22 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

### Analysis of Overall Performance

The distribution business of the plastic resins, plastic, and petrochemical related products needs relatively high working capital. The key success factors of this business depend on the inventory management, the logistic systems that meet the clients' needs in time, cost of capital, receivables management and sales revenue. Due to this business has low gross profit margin, to build up more sales revenue will result in good net profit.

### Sales revenue

The company had total sales revenue of Baht 3,610.5 million in 2019, decreased Baht 49.9 million from Baht 3,660.4 million of 2018 or equivalent to 1.36%. The sales value of Commodity Polymer business unit was reduced by 1.69%. The sales value of Specialty and Engineering Polymer business unit was dropped by 1.99%. And the sales value of Specialty Chemicals business unit was increased by 49.28%. The 1.36% decrease in total sales revenue was mainly due to the decline in selling price resulting from the global economy slowdown which was the effect of the US-China trade conflict. However, the total sales volume of 2019 was increased by 19.34% compared to those of 2018.

### Financial Operating Results

In 2019, total cost of sales and operating expenses were Baht 3,469.5 million, decreased by Baht 79.5 million from Baht 3,549.0 million of 2018 or equivalent to 2.24%. Our major expense was costs of goods sold, a decrease of Baht 61.3 million from Baht 3,397.8 million of 2018 to be Baht 3,336.5 million in 2019 or 1.81% decreased from last year's which was higher than sales dropping rate reflecting from the upward gross profit margin of 2019.

The gross profit in 2019 was increased from Baht 262.5 million to be Baht 273.9 million or equivalent to 4.36% resulting from the rise in gross profit margin from 7.63% in 2018 to be 8.10%. This was derived from our well manage in purchase timing as well as the currency appreciation in this year.

Total selling and administrative expenses decreased by Baht 18.0 million from Baht 151.1 million in 2018 to be Baht 133.1 million, or 11.97% decreased. This was due to an

increase in Allowance for doubtful accounts of Baht 21.8 million in 2018 whereas there was a reversal of such transaction of Baht 4.0 million in 2019. And there was an increase in total staff expenses of Baht 8.4 million in 2019.

The interest expenses in 2019 was Baht 11.7 million, or 2.14% increased from Baht 11.5 million of 2018. This was due to higher interest rate during 2019.

In 2018 the transaction in other comprehensive income was Actuarial gain less income tax effect amounting Baht 0.4 million, whereas there was no such transaction in 2019.

As a result of the discussed factors, our total comprehensive income for the year 2019 was Baht 114.8 million versus Baht 86.2 million in 2018 or equivalent to 33.10% increased.

#### **Comparison of Financial Position (FY31.12.2019 VS 31.12.2018)**

**Assets:** As of 31 December 2019, GC recorded total assets of Baht 1,185 million, representing a decrease of Baht 83 million from Baht 1,268 million of 31 December 2018 or equivalent to 6.60% decreased. The assets with major changed were as follows :

As of 31 December 2019 total current assets showed Baht 1,054 million, a decrease of Baht 100 million or 8.67% from year-end 2018's. This was mainly due to the reduction in inventory by Bath 137 million from Baht 546 million in year-end 2018 to be Baht 409 million of ending 2019, or 25.09% decreased resulting from both lower purchasing volume and lower unit cost of inventory.

While trade accounts receivable showed Baht 592 million as of 31 December 2019, an increase of Baht 14 million from Baht 578 million of ending 2018 or 2.41% increased resulting from the higher collection period.

**Liabilities :** As of 31 December 2019, GC recorded total liabilities of Baht 707 million, a decrease of Baht 110 million or 13.52% from the previous year-end. The major liabilities were short-term loans from financial institutions and trade accounts payable. The ending 2018 balance of short-term loan was Baht 606 million versus 521 million as of 2019 or equivalent to 14.10% decreased resulting from the lower value in inventory. The trade accounts payable as of 2019 was Baht 136 million, a decrease of Baht 37 million from Baht 173 million of ending 2018 or 21.47% decreased. As a result, the Debts to Equity Ratio as of 2019 was 1.48 times compared to 1.81 times of ending 2018.

**Sources of Funds :** The structure of GC's funds in 2019 was not much different from those of 2018 as they were in term of short-term liabilities. The major liabilities were short-term loans from financial institutions, bank overdrafts, and trade accounts payable.

**Shareholders' Equity:** As of 31 December 2019, the portion of shareholders' equity amounted to Baht 478 million, an increase of Baht 27 million, or 5.94% from those of previous year-end, derived from profit for the period of 2019 Baht 115 million deducted dividend paid out of Baht 88 million.

**Liquidity:** In 2019 GC had better liquidity. Since after listed, GC had good fund from the IPO proceeds at the end of 2005 and the working capital from deposits redemption at the beginning of 2006. This caused a better working capital management to reduce the cost of fund.

In 2019 GC had a current ratio at 1.51 times compared to 1.43 times of ending 2018, which was due to the drop in both short-term loan from financial institutions as well as trade accounts payable.





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## 23 INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENT

### Independent Auditor's Report

To the Shareholders of Global Connections Public Company Limited

#### Opinion

I have audited the accompanying financial statements of Global Connections Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2019, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Connections Public Company Limited as at 31 December 2019, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Basis for Opinion

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

#### Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter are describe below.

### **Revenue recognition for sales of goods**

Revenue from sales of goods is one of the Company's key accounts because the amounts recorded directly affect the Company's profit or loss. Moreover, the Company has a large number of customers and various types of distribution methods. There are therefore risks with respect to the amount and timing of revenue recognition.

I examined the revenue recognition of the Company by assessing and testing the Company's internal controls with respect to the revenue cycle. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes that the Company issued after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing 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 Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

I am responsible for the audit resulting in this independent auditor's report.

- Signature-

Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 19 February 2020

**Global Connections Public Company Limited**

**Statement of financial position**

**As at 31 December 2019**

(Unit: Baht)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	53,109,256	22,120,112
Trade and other receivables	6, 8	591,739,721	578,161,063
Inventories	9	408,803,043	545,728,328
Other current assets		<u>228,307</u>	<u>7,868,267</u>
<b>Total current assets</b>		<u>1,053,880,327</u>	<u>1,153,877,770</u>
<b>Non-current assets</b>			
Investment property	10	3,700,000	-
Property, plant and equipment	11	122,678,796	109,754,229
Deferred tax assets	18	2,772,182	3,161,962
Other non-current assets		<u>1,670,500</u>	<u>1,670,500</u>
<b>Total non-current assets</b>		<u>130,821,478</u>	<u>114,586,691</u>
<b>Total assets</b>		<u><u>1,184,701,805</u></u>	<u><u>1,268,464,461</u></u>

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

**Global Connections Public Company Limited**

**Statement of financial position (continued)**

**As at 31 December 2019**

(Unit: Baht)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	12	520,910,859	606,442,274
Trade and other payables	6, 13	156,619,988	188,573,415
Current portion of liabilities under finance lease agreements	14	863,471	1,192,043
Income tax payable		13,617,568	10,608,715
Other current liabilities		<u>5,998,218</u>	<u>934,539</u>
<b>Total current liabilities</b>		<u>698,010,104</u>	<u>807,750,986</u>
<b>Non-current liabilities</b>			
Liabilities under finance lease agreements			
- net of current portion	14	113,614	977,085
Provision for long-term employee benefits	15	<u>8,860,910</u>	<u>8,809,810</u>
<b>Total non-current liabilities</b>		<u>8,974,524</u>	<u>9,786,895</u>
<b>Total liabilities</b>		<u>706,984,628</u>	<u>817,537,881</u>

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



**Global Connections Public Company Limited**

**Statement of financial position (continued)**

**As at 31 December 2019**

(Unit: Baht)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Shareholders' equity</b>			
Share capital			
Registered			
200,000,000 ordinary shares of Baht 1 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued and fully paid up			
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000
Share premium		56,034,035	56,034,035
Retained earnings			
Appropriated - statutory reserve	16	24,000,000	24,000,000
Unappropriated		<u>197,683,142</u>	<u>170,892,545</u>
<b>Total shareholders' equity</b>		<u>477,717,177</u>	<u>450,926,580</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,184,701,805</u>	<u>1,268,464,461</u>
		-	-

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

Directors

**Global Connections Public Company Limited**

**Statement of comprehensive income**

**For the year ended 31 December 2019**

		(Unit: Baht)	
	<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales		3,610,467,946	3,660,380,753
Other income		<u>13,037,609</u>	<u>12,717,733</u>
<b>Total revenues</b>		<u>3,623,505,555</u>	<u>3,673,098,486</u>
<b>Expenses</b>			
Cost of sales		<u>3,336,489,290</u>	<u>3,397,839,078</u>
Reversal of reduction of inventory to net realisable value		<u>(2,000,000)</u>	<u>(2,000,000)</u>
		3,334,489,290	3,395,839,078
Selling and distribution expense		33,695,345	37,549,550
Administrative expenses		<u>101,356,261</u>	<u>115,592,224</u>
<b>Total expenses</b>		<u>3,469,540,896</u>	<u>3,548,980,852</u>
<b>Profit before finance cost and income tax expenses</b>		153,964,659	124,117,634
Finance cost		<u>(11,711,152)</u>	<u>(11,465,607)</u>
<b>Profit before income tax expenses</b>		142,253,507	112,652,027
Income tax expenses	18	<u>(27,462,998)</u>	<u>(26,807,149)</u>
<b>Profit for the year</b>		<u>114,790,509</u>	<u>85,844,878</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain		-	500,000
Less: Income tax effect	18	<u>-</u>	<u>(100,000)</u>
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>400,000</u>
<b>Total comprehensive income for the year</b>		<u><u>114,790,509</u></u>	<u><u>86,244,878</u></u>
<b>Earnings per share</b>	20		
Basic earnings per share		<u><u>0.57</u></u>	<u><u>0.43</u></u>

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

**Global Connections Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2019**

(Unit: Baht)

	Note	Issued and fully paid up	Share premium	Retained earnings		Total
		ordinary shares		Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2018</b>		200,000,000	56,034,035	24,000,000	164,647,587	444,681,622
Profit for the year		-	-	-	85,844,878	85,844,878
Other comprehensive income for the year		-	-	-	400,000	400,000
Total comprehensive income for the year		-	-	-	86,244,878	86,244,878
Dividend paid	23	-	-	-	(43,999,956)	(43,999,956)
Interim dividend paid	23	-	-	-	(35,999,964)	(35,999,964)
<b>Balance as at 31 December 2018</b>		<u>200,000,000</u>	<u>56,034,035</u>	<u>24,000,000</u>	<u>170,892,545</u>	<u>450,926,580</u>
						-
<b>Balance as at 1 January 2019</b>		200,000,000	56,034,035	24,000,000	170,892,545	450,926,580
Profit for the year		-	-	-	114,790,509	114,790,509
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	114,790,509	114,790,509
Dividend paid	23	-	-	-	(43,999,956)	(43,999,956)
Interim dividend paid	23	-	-	-	(43,999,956)	(43,999,956)
<b>Balance as at 31 December 2019</b>		<u>200,000,000</u>	<u>56,034,035</u>	<u>24,000,000</u>	<u>197,683,142</u>	<u>477,717,177</u>
						-

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

**Global Connections Public Company Limited**

**Cash flow statement**

**For the year ended 31 December 2019**

	(Unit: Baht)	
	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Profit before tax	142,253,507	112,652,027
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities :		
Depreciation	9,416,742	9,907,579
Allowance for doubtful accounts (reversal)	(4,000,000)	21,800,000
Reversal of reduction of inventory to net realisable value	(2,000,000)	(2,000,000)
Gain on sales of motor vehicles and equipment	(339,383)	(68,861)
Loss on write-off of equipment	85,979	28
Unrealised (gain) loss on exchange	(49,447)	7,018
Long-term employee benefit expenses	2,710,000	1,760,000
Interest expenses	<u>11,711,152</u>	<u>11,465,607</u>
Profit from operating activities before changes in operating assets and liabilities	159,788,550	155,523,398
Operating assets (increase) decrease		
Trade and other receivables	(9,578,658)	11,943,222
Inventories	138,925,285	(76,431,081)
Other current assets	7,639,960	(2,037,324)
Operating liabilities increase (decrease)		
Trade and other payables	(31,834,178)	(4,996,195)
Other current liabilities	5,063,679	(1,037,459)
Cash paid for long-term employee benefits	<u>(2,658,900)</u>	<u>(3,719,100)</u>
Cash flow from operating activities	267,345,738	79,245,461
Cash paid for interest expenses	(11,707,000)	(11,267,468)
Cash paid for corporate income tax	<u>(24,064,365)</u>	<u>(27,174,569)</u>
<b>Net cash flows from operating activities</b>	<u>231,574,373</u>	<u>40,803,424</u>

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

**Global Connections Public Company Limited**

**Cash flow statement (continued)**

**For the year ended 31 December 2019**

	(Unit: Baht)	
	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(22,440,122)	(2,720,283)
Acquisition of investment property	(3,700,000)	-
Proceeds from sales of motor vehicles and equipment	<u>352,217</u>	<u>74,759</u>
<b>Net cash flows used in investing activities</b>	<u>(25,787,905)</u>	<u>(2,645,524)</u>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans from financial institutions	(85,531,415)	31,442,274
Cash paid for liabilities under finance lease agreements	(1,265,997)	(1,855,668)
Dividend paid	(43,999,956)	(43,999,956)
Interim dividend paid	<u>(43,999,956)</u>	<u>(35,999,964)</u>
<b>Net cash flows used in financing activities</b>	<u>(174,797,324)</u>	<u>(50,413,314)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	30,989,144	(12,255,414)
Cash and cash equivalents at beginning of year	<u>22,120,112</u>	<u>34,375,526</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>53,109,256</u></u>	<u><u>22,120,112</u></u>
	-	-

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

## **Global Connections Public Company Limited**

### **Notes to financial statements**

**For the year ended 31 December 2019**

#### **1. Corporate information**

Global Connections Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the wholesale of plastic and plastic-related products. The registered office of the Company is at 13/1 Moo 2 King-Kaew Road, Rachateva, Bangplee, Samuthprakarn.

#### **2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

#### **3. New financial reporting standards**

##### **(a) Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

## **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's financial statements.

### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

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



## Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

The management of the Company believes that adoption of these standards will not have any significant impact on the financial statements.

### TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Company expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Company's assets by approximately Baht 19.8 million and the Company's liabilities by approximately Baht 19.8 million.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Sales of goods*

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

##### **4.2 Cash and cash equivalents**

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

##### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

##### **4.4 Inventories**

Inventories are valued at the lower of cost (under the weighted average method) and net realisable value.

##### **4.5 Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 30 years. Depreciation of the investment properties is included in determining income.

#### 4.6 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	10, 20, 30 years
Office equipment	-	3, 5 years
Furniture and fixtures	-	5, 10 years
Tools and equipment	-	5, 23 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvements and assets under construction.

#### 4.7 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives are computer software which have finite useful lives of 5 years.

#### 4.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### **4.9 Long-term leases**

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Operating lease payments are recognised as expense in profit or loss on a straight-line basis over the lease term.

#### **4.10 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of assets**

At the end of reporting period, the Company performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **4.12 Employee benefits**

##### *Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### *Post-employment benefits*

#### Defined contribution plans

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

#### Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs

### **4.13 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### **4.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

#### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **5. Significant accounting judgements and estimates**

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

### **Allowance for doubtful accounts**

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

### **Reduction of inventory to net realisable value**

In determining a reduction of inventory to net realisable value, the management needs to make judgement and estimates based upon, among other things, slow-moving inventories and net realisable value.

### **Property, plant and equipment/Depreciation**

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## Post-employment benefits under defined benefit plans

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

## 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit: Million Baht)		
	<u>2019</u>	<u>2018</u>	<u>Transfer pricing policy</u>
<b><u>Transactions with related companies</u></b>			
Sales of finished goods	2	3	Similar to market price
Purchases of finished goods and compound service	5	26	Cost plus margin

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<b><u>Trade receivables - related party (Note 8)</u></b>		
Integrity Plastics Company Limited	239	417
Total	<u>239</u>	<u>417</u>
<b><u>Trade payables - related party (Note 13)</u></b>		
Integrity Plastics Company Limited	831	660
Total	<u>831</u>	<u>660</u>



### Directors and management's benefits

Directors and management benefit expenses are benefits paid to directors and executives of the Company. Executives of the Company are as defined by the regulation of the Securities and Exchange Commission and comprise all directors, the managing director, the four most senior executives below the managing director, and all executives holding equivalent positions to the fourth most senior executive.

During the years ended 31 December 2019 and 2018, the Company had employee benefit expenses of its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Short-term employee benefits	32,059	26,749
Post-employment benefits	1,676	1,115
Total	<u>33,735</u>	<u>27,864</u>

### **7. Cash and cash equivalents**

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Cash	60	60
Bank deposits	53,049	22,060
Total	<u>53,109</u>	<u>22,120</u>

As at 31 December 2019, bank deposits in saving accounts carried interests between 0.01 and 0.10 percent per annum (2018: between 0.01 and 0.10 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
<b>Trade receivables - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	459,369	420,378
Past due		
Up to 1 month	118,362	144,531
1 - 3 months	13,556	12,103
3 - 6 months	1,277	173
6 - 12 months	2,870	-
Over 12 months	19,625	27,787
Total	615,059	604,972
Less: Allowance for doubtful accounts	(23,800)	(27,800)
Total trade receivables - unrelated parties, net	591,259	577,172
<b>Trade receivables - related party</b>		
Aged on the basis of due dates		
Not yet due	239	417
Total trade receivables - related party	239	417
Total trade receivables, net	591,498	577,589
<b>Other receivables - unrelated party</b>	242	572
Total trade and other receivables, net	591,740	578,161

## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	361,086	469,604	(5,000)	(7,000)	356,086	462,604
Goods in transit	52,717	83,124	-	-	52,717	83,124
Total	413,803	552,728	(5,000)	(7,000)	408,803	545,728

During the current year, the Company reversed the write-down of cost of inventories by Baht 2 million, and reduced the amount of inventories recognised as expense during the year (2018: The Company reversed the write-down of cost of inventories by Baht 2 million).

## 10. Investment properties

The net book value of investment properties on condominium unit as at 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Cost	3,700	-
<u>Less</u> Accumulated depreciation	-	-
Net book value	<u>3,700</u>	<u>-</u>

## 11. Property, plant and equipment

(Unit: Thousand Baht)

	Land and land improvements	Buildings	Office equipment, furniture and fixtures	Machines, tools and equipment	Motor vehicles	Assets under construction	Total
<b>Cost:</b>							
1 January 2018	52,715	93,740	16,241	23,698	26,334	-	212,728
Additions	-	900	497	1,311	12	-	2,720
Disposals/write-off	-	-	(1,028)	(22)	-	-	(1,050)
31 December 2018	52,715	94,640	15,710	24,987	26,346	-	214,398
Additions	1,600	402	1,438	1,323	1,851	15,826	22,440
Disposals/write-off	-	-	(900)	(1,054)	(849)	-	(2,803)
31 December 2019	54,315	95,042	16,248	25,256	27,348	15,826	234,035
<b>Accumulated depreciation:</b>							
1 January 2018	-	50,923	14,119	13,803	16,936	-	95,781
Depreciation for the year	-	3,591	988	1,730	3,599	-	9,908
Depreciation on disposals/write-off	-	-	(1,025)	(20)	-	-	(1,045)
31 December 2018	-	54,514	14,082	15,513	20,535	-	104,644
Depreciation for the year	-	3,661	1,144	1,821	2,791	-	9,417
Depreciation on disposals/write-off	-	-	(889)	(968)	(848)	-	(2,705)
31 December 2019	-	58,175	14,337	16,366	22,478	-	111,356
<b>Net book value:</b>							
31 December 2018	52,715	40,126	1,628	9,474	5,811	-	109,754
31 December 2019	54,315	36,867	1,911	8,890	4,870	15,826	122,679
<b>Depreciation for the year</b>							
2018 (included in selling and administrative expenses)							9,908
2019 (included in selling and administrative expenses)							9,417

As at 31 December 2019, the Company has motor vehicles with net book value of Baht 1 million (2018: Baht 3 million) which were acquired under finance lease agreements.

As at 31 December 2019, certain items of equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 43 million (2018: Baht 37 million).

## 12. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	<u>2019</u>	<u>2018</u>
Promissory notes	Market rate	480,000	575,000
Trust receipt payable	Market rate	40,911	31,442
Total		<u>520,911</u>	<u>606,442</u>

As at 31 December 2019, the short-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,906 million (2018: Baht 1,782 million).

## 13. Trade and other payables

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
Trade payables - unrelated parties	136,029	173,211
Trade payables - related party	831	660
Accrued expenses	19,760	14,702
Total trade and other payables	<u>156,620</u>	<u>188,573</u>

#### 14. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Liabilities under finance lease agreements	1,003	2,269
Less: Deferred interest expenses	(26)	(100)
Total	<u>977</u>	<u>2,169</u>
Less: Portion due within one year	(863)	(1,192)
Liabilities under finance lease agreements - net of current portion	<u>114</u>	<u>977</u>

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 to 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Thousand Baht)		
	As at 31 December 2019		
	Less than		
	<u>1 year</u>	<u>1-5 years</u>	<u>Total</u>
Future minimum lease payments	888	115	1,003
Deferred interest expenses	(25)	(1)	(26)
Present value of future minimum lease payments	<u>863</u>	<u>114</u>	<u>977</u>

	(Unit: Thousand Baht)		
	As at 31 December 2018		
	Less than		
	<u>1 year</u>	<u>1-5 years</u>	<u>Total</u>
Future minimum lease payments	1,266	1,003	2,269
Deferred interest expenses	(74)	(26)	(100)
Present value of future minimum lease payments	<u>1,192</u>	<u>977</u>	<u>2,169</u>

## 15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<b>Provision for long-term employee benefits at beginning of year</b>	8,810	11,269
Included in profit or loss:		
Current service cost	1,450	1,569
Interest cost	160	191
Past service cost	1,100	-
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	-	(37)
Financial assumptions changes	-	(537)
Experience adjustments	-	74
Benefits paid during the year	<u>(2,659)</u>	<u>(3,719)</u>
<b>Provision for long-term employee benefits at end of year</b>	<u>8,861</u>	<u>8,810</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 1.1 million as a result. The Company reflect the effect of the change by recognising past service costs as expenses in the income statement of the current year.

The Company expects to pay Baht 0.3 million of long-term employee benefits during the next year (2018: Baht 2.7 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 9 years (31 December 2018: 6 years).

Significant actuarial assumptions used for the valuation are summarised below:

	(Unit: Percent per annum)	
	<u>2019</u>	<u>2018</u>
Discount rate	2.4	1.9
Salary increase rate	3.0 - 5.0	3.0 - 5.0
Turnover rate	0 - 21.0	0 - 20.0

The result of sensitivity analysis for significant assumptions that effect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	(Unit: Million Baht)			
	2019		2018	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(0.7)	0.8	(0.7)	0.9
Salary increase rate	0.8	(0.7)	0.8	(0.7)
Turnover rate	(0.8)	0.5	(0.8)	0.5

## 16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 17. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Salaries and wages and other employee benefits	96,043	87,630
Depreciation and amortisation	9,417	9,908
Rental expenses from operating lease agreements	9,386	8,497
Purchase of inventories	3,208,881	3,453,994
Changes in inventories of finished goods	108,518	(73,260)



## 18. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>		
Current income tax charge	27,073	26,015
<b>Deferred tax:</b>		
Relating to reversal of temporary differences	390	792
<b>Income tax expense reported in profit or loss</b>	<u>27,463</u>	<u>26,807</u>

The amount of income tax relating to each component of other comprehensive income for the year ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial gain	-	100

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Accounting profit before tax	142,253	112,652
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	28,451	22,531
Effects of non-deductible expenses	101	4,681
Effects of additional expense deductions allowed	(222)	(330)
Others	(867)	(75)
Income tax expenses reported in profit or loss	<u>27,463</u>	<u>26,807</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<b>Deferred tax assets</b>		
Reduce cost of inventories to net realisable value	1,000	1,400
Provision for long-term employee benefits	1,772	1,762
<b>Total</b>	<u>2,772</u>	<u>3,162</u>

## 19. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of solar power installed on roof, pursuant to the investment promotion certificate No. 59-1300-0-13-2-2. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax until 8 December 2022 and a 50% reduction of corporate income tax on income derived from the promoted operations until 8 December 2027.

In 2019, the Company has the revenues from promoted operations amounting to Baht 0.9 million (2018: Baht 0.9 million) which included in other revenue.

## 20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	<u>2019</u>	<u>2018</u>
Profit for the year (Thousand Baht)	114,790	85,845
Weighted average number of ordinary shares (Thousand shares)	200,000	200,000
Earnings per share (Baht/share)	0.57	0.43

## 21. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on its product categories and has the following three operating segments:

- The Commodity Polymer business unit, which is the segment for distribution of commodity polymers used in the transformation process of general plastic-products.
- The Specialty and Engineering Polymer business unit, which is the segment for distribution of special grade polymers that have unique characteristics, such as enabling hardness, durability, refractory and resistance to chemical substances.
- The Specialty Chemical business unit, which is the segment for distribution of special additive products that add value to products and add unique characteristics to additive compounded products.

The Company has aggregated all operating segments and presented them as the reportable segment. The aggregated operating segments have similar economic characteristics and are similar in the other respects required by the standard. In addition, in year 2016, the Company added the segment of production and distribution of solar power installed on roof, from which revenue is not material. The Company's operation is carried out from the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

For the year 2019 and 2018, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

## 22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 4 to 15 percent of basic salary. The fund, which is managed by Bangkok Capital Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 3 million (2018: Baht 3 million) were recognised as expenses.

## 23. Dividends

Dividends declared in 2019 and 2018 and already recorded consist of the followings:

		(Unit: Baht)	
	Approved by	Total dividends	Dividend per share
Dividends for 2018	Annual General Meeting of the		
	shareholders on 5 April 2019	43,999,956	0.22
Interim dividends for 2019	A Meeting of the Company's Board		
	of Directors on 9 August 2019	43,999,956	0.22
Total for 2019		87,999,912	0.44
Dividends for 2017	Annual General Meeting of the		
	shareholders on 5 April 2018	43,999,956	0.22
Interim dividends for 2018	A Meeting of the Company's Board		
	of Directors on 7 August 2018	35,999,964	0.18
Total for 2018		79,999,920	0.40

## 24. Commitments and contingent liabilities

### 24.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of warehouse and equipment. The terms of the agreements are generally between 1 and 4 years.

Future minimum lease payments under these lease agreements were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2019</u>	<u>2018</u>
Payable:		
in up to 1 year	7.7	7.9
in over 1 and up to 4 years	13.9	0.2

### 24.2 A commitment under trade credit insurance policy

The Company has entered into a commitment under trade credit insurance policy with an insurance company. As at 31 December 2019, the Company had commitment to pay the minimum insurance premium amounting to approximately Baht 0.8 million in 2020.

### 24.3 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 80 million (2018: Baht 80 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These are letters of guarantee to guarantee payments due to creditors and to guarantee electricity use.

## 25. Financial instruments

### 25.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, short-term loans, trade and other payables and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit risk**

The Company is exposed to credit risk primarily with respect to trade accounts receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable as stated in the statement of financial position.

### **Interest rate risk**

The Company's exposure to interest rate risk relates primarily to its short-term borrowings, cash at banks and liabilities under finance lease agreements. However, since short-term borrowings bear fixed interest rates which are close to the market rate and most of the Company's financial assets and liabilities bear non-interest, the interest rate risk is expected to be minimal.

### **Foreign currency risk**

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company manages its exposure to foreign currency risk by considering purchase/sale of forward contracts from time to time so as to reduce exposure to the foreign currency risk which may incur.

As at 31 December 2019, the Company's foreign currency-denominated trade accounts payable amounting to approximately USD 1.9 million was unhedge.

As at 31 December 2018, the Company had foreign currency-denominated trade accounts payable of USD 2.7 million and had outstanding forward exchange contracts as presented below.

	Amount	Maturity date	Contractual exchange rate
	(million)		(Baht per 1 foreign currency unit)
Buy			
US dollar	1.3	24 July 2019 - 16 December 2019	32.33 - 33.11

## **25.2 Fair values of financial instruments**

Since the majority of the Company's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

## **26. Capital management**

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Company manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2019, the Company's debt-to-equity ratio was 1.48:1 (2018: 1.81:1).

## **27. Event after the reporting period**

On 19 February 2020, the Board of Directors passed a resolution to propose the payment of a dividend in respect of the 2019 earnings of Baht 0.50 per share, or a total of Baht 100 million to its shareholders. The Company paid an interim dividend of Baht 0.22 per share, or a total of Baht 44 million, in September 2019. The remaining of Baht 0.28 per share, or a total of Baht 56 million will be paid and recorded after being approved by the Annual General Meeting of the shareholders.

## **28. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2020.



## Global Connections Public Company Limited

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