



2561 **ANNUAL** **2018**
รายงานประจำปี **REPORT**

Index



Section

1

Business and Financial Highlights

■ Corporate General Information	5
■ Message from Chairman of the Board	6
■ Message from Chief Executive Officer	7
■ Financial Highlights	8
■ Notable Changes and Development in 2018	10

Section

2

Policy and Business Overview

■ Vision, Mission and Strategies	12
■ Business Structure and Shareholding Structure	13
■ Nature of Business and Competition Policy	16

Section

3

Administration and Corporate Governance

■ Information of Securities and Shareholders	36
■ Organizational Structure and the Committee	38
■ Report of the Corporate Governance Committee	58
■ Good Corporate Governance	59
■ Corporate Social Responsibility	78
■ Internal Control	84
■ Risk Management	85
■ Assets in Business Operations	91
■ Related Transactions	97
■ Related Transaction Policy	117

Section

4

Financial Statement

■ The Board of Directors' responsibility for Financial Statements	120
■ Report of the Audit Committee	121
■ Financial Position and Operating Performance	123
■ Management Discussion and Analysis	129
■ Independent Auditor's Report	139
■ Financial Statement	145
■ Notes to the Financial Statements	156

1 BUSINESS AND FINANCIAL HIGHLIGHTS



Corporate General Information

Company Name	: Triple i Logistics Public Company Limited (iii)
Business Type	: Triple i Logistics Public Company Limited is a total logistics service provider. We provide our services as a carrier, logistics operator, freight forwarder for international and domestic air freight, sea freight, inland transport as well as providing our service in logistics and supply chain management for both of general cargo and hazardous & dangerous goods.
Registration Number	: 0107560000095
Registered Capital	: 307,500,000 Baht dividing into ordinary shares of 615,000,000 shares with a par value at 0.50 Baht each
Paid-up Capital	: 302,250,000 Baht dividing into 604,500,000 shares with a par value at 0.50 Baht each
Head Office	: 628 Triple i Building 3 rd Floor, Soi KlabChom, Nonsee Road, Chongnonsee, Yannawa, Bangkok Telephone Number : 0 2681 8700 Facsimile : 0 2681 8701 Website : www.iii-logistics.com
The CEO Office and Company Secretary	: Telephone Number : 0 2681 8700 Ext. 100,101 Facsimile : 0 2681 8701 Email : secretary@iii-logistics.com
Investor Relations	: Telephone Number : 0 681 8700 Ext. 103,104 Facsimile : 0 2681 8701 Email : ir@iii-logistics.com
Reference	
Securities Registrar	: Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building Ratchdapisek Road, Din Daeng, Bangkok 10400 Telephone: 0 2009 9000 Facsimile: 0 2009 9991
Auditor	: Pricewaterhouse Coopers ABAS Company Limited 179/74-80 Bangkok City Tower 179/74-80 South Sathorn Road, Sathorn, Bangkok, 10120 Mr. Vichien Khingmontri CPA Registration No. 3977



Message from Chairman of the Board

Logistics industry is one of the mechanisms to drive the country's economy. Thailand's 20 -year National Logistics Development Plan is one of the government's master plans to lay a foundation for economic and infrastructure development through logistics industry to ensure the country's economic security and sustainable development.

Triple i Logistics Public Company Limited provides comprehensive solutions for logistics, regarded as one of the industries with strong growth potential. It is evident by the company's satisfactory performance in 2018, thanks to our current services and business expansion to streamline and add value to our operations. Triple i Logistics is flourishing in line with Thailand's GDP growth of 4.1 percent in the past year, fueled by an expansion of investment and manufacturing sectors as well as exports and imports. These business activities depend on international cargo transportation, inventory management and product distribution.

On behalf of the Board of Directors, I would like to express our appreciation to our customers, suppliers, business partners and shareholders who have always supported the company. In 2019, Triple i Logistics continues to strive toward being a sustainable organization by adhering to two implementing guidelines, namely, enhancing our comparative advantages to become the industry's model as a world-class logistics company and running our business based on good corporate governance with social responsibility by considering the interests of stakeholders, communities and the society

Sincerely,

Krirkkrai Jirapaet
Chairman of the Board of Directors



Message from Chief Executive Officer

2018 is another year that Triple i Logistics Public Company Limited achieved successful performance in terms of operating results and business expansion to become a leading service provider of integrated logistics solutions. Triple i Logistics's recorded an outstanding performance with 20.7 percent in business growth and 16.2 percent increase in net profit over-year.

Our success in the past year is the result of constantly-growing business operations. In particular, the company has been appointed as the exclusive agency for Rizhao Port Shipping Line of China, leading to a significant expansion of the company's shipping and in-land transport business.

In addition, after Triple i Logistics has been listed on the Stock Exchange of Thailand in 2017, the company has enjoyed the potential to expand the operation to related business. In 2018, the company has extended as international air cargo terminal operator at Don Muang Airport. Earning trust from international airlines, the company has commanded 75 percent of market share of cargo service in Don Mueang Airport thus far. Triple i Logistics also acquired Singapore-based DG Packaging Pte., Ltd., marking a major step in developing business alliance to streamline logistics operations for hazardous substances in Singapore, one of the world's logistics hubs. The move propels the company toward being a regional leader. All these achievements represent a significant expansion since Triple i Logistics has been listed on the stock exchange in 2017.

2019 is thus another challenging year which is important for the company's business expansion and business development. Triple i Logistics has determined to improve our services to enhance our comparative advantage to become a leading organization in the region and get ready for an expansion of logistics industry in Asia.

Sincerely,

Tipp Dalal
Chief Executive Officer



Financial Highlight

Summary of Key Financial Statistics

Y 2016

Y 2017

Y 2018

Statements of Income

Million Baht

Revenue from Sales and Services	2,075.6	2,294.6	2,770.6
Gross Profit	465.3	531.4	484.6
SG&A Expenses	376.1	392.0	372.2
Net Profit for the period	94.5	129.6	150.7

Statements of Financial Position

Million Baht

Total Assets	1,063.8	1,555.6	1,899.5
Total Liabilities	722.5	440.6	697.6
Total Equities	341.2	1,115.0	1,201.9

Statements of Cash Flows

Million Baht

Net Cash generated from (used in) Operating Activities	140.7	2.8	202.5
Net Cash from (used in) Investing Activities	8.9	(59.8)	(127.0)
Net Cash receipts from (used in) Financing Activities	(25.4)	581.4	(90.0)

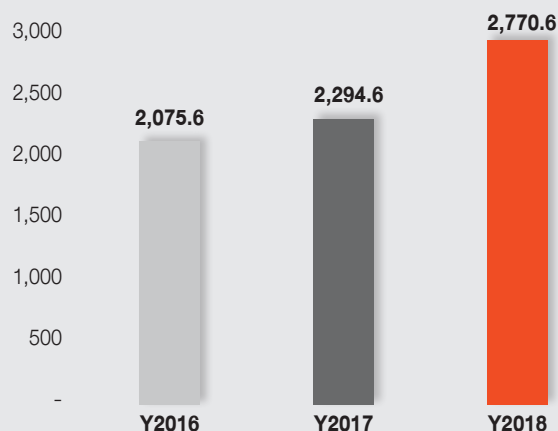
Key Financial Ratio

Gross Profit Margin	%	22.4%	23.2%	17.5%
Net Profit Margin	%	4.5%	5.6%	5.4%
Earnings per share ^{1/}	Baht	0.21	0.26	0.25
Return on Equity (ROE) ^{2/}	%	32.0%	17.8%	13.0%
Current Ratio	X	1.1x	3.1x	2.1x
Average Collection Period	Days	60.5	56.9	42.1
Average Payment Period	Days	119.6	93.7	61.1
Debt to Equity Ratio (D/E ratio)	X	2.1x	0.4x	0.6x

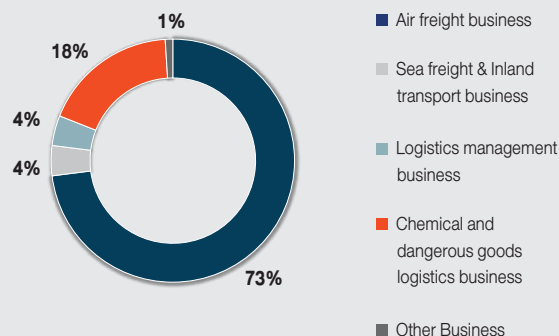
หมายเหตุ : 1/ EPS (Earnings per share) is calculated by dividing net profit for the period by weighted average total number of common shares for the period

2/ ROE in Y2016 and Y2017 are calculated by using Company's Equity before listed.

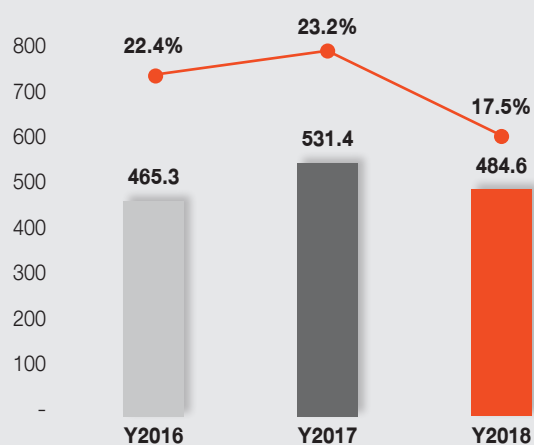
Revenue from Sales and Services (Million Baht)



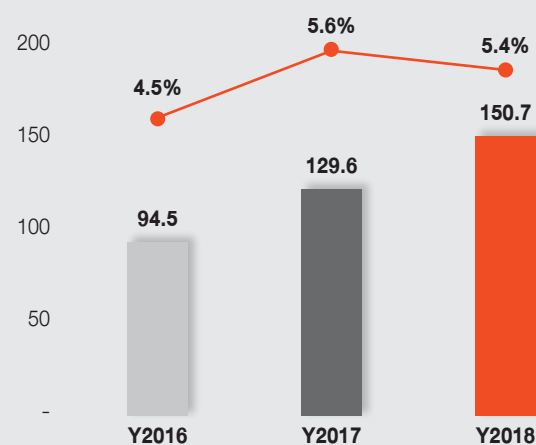
Revenue Contribution 2018



Gross Profit (Million Baht) and Gross Profit Margin (%)

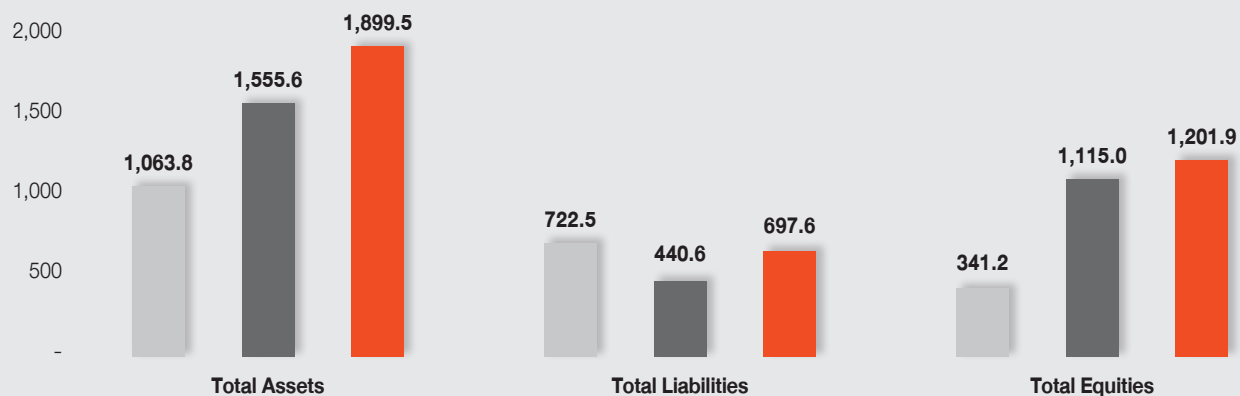


Net Profit (Million Baht) and Net Profit Margin (%)



Statements of Financial Position (Million Baht)

■ Y2016 ■ Y2017 ■ Y2018



Significant developments in the year 2018



January Asia Ground Service Company Limited has expanded its air freight business by opening International Air Cargo Terminal at Donmuang International Airport with 4,500 square meters of service area. The international air cargo warehouse accommodates the growing international cargo transport market following cancellation of international airport standards by ICAO. Thailand is a center for expansion of air transport business with market share in Donmuang Airport of over 70%.

The international air cargo warehouse will strengthen air freight business of the Group as the market is growing. There is an increase in number of flights operated by Thai AirAsia, Thai AirAsia X and other leading airlines with routes to/from Donmuang Airport every year.

January Triple i Maritime Agencies Company Limited started to provide a complete range of sea freight services after being appointed as sole agent in Thailand of Rizhao Port (Hong Kong) Shipping Line, state-owned shipping line in Rizhao, Shandong Province in the northern part of China in 2017. At the beginning, the service routes cover 3 countries which include China (Rizhao, Shanghai), Vietnam (Ho Chi Minh) and Thailand (Laem Chabang, Bangkok Port).

June Triple i Logistics Public Company Limited received proceeds from initial public offering in the approximated amount of Baht 267 million. It acquired 50% shareholding in DG Packaging Pte. Ltd. (DGPS), a company incorporated in Singapore which distributes dangerous goods packaging and provides packaging service for transport of dangerous goods. DGPS has a business network, covering 18 countries in 5 continents.

Not only generating profits and cash flow to the Company in a long run, the strategic acquisition expands the Company's customer base through expansion of the business overseas, particularly Singapore, which is the world's major trade center. The Company will be able to develop and grow dangerous goods logistics business in Singapore, which is one of the centers of ASEAN countries.

August The volume of sea freight service provided by Rizhao has continued to increase since Rizhao is the only shipping line in Thailand who offers a direct sea freight route to Rizhao, one of the major industrial cities in China. Since the Company has been appointed as sole agent of Rizhao (Single Operator), the business operation is efficient and shipments are transported according to schedules. The Company revised its service routes and added an outbound route to Vietnam in order to increase area for service. The Company also changed to bigger ships, providing up to 1,800 TEUS per trip, to accommodate the growing market.

2 POLICY AND BUSINESS OVERVIEW



Vision Mission Strategy



The Board of Directors had reviewed the Company's vision, mission and set the Company's short-term and long-term goals and business strategies. The Board of Directors regularly monitors operating performance of the Company to ensure that the Company follows its mission and its operations are in line with the business strategies. The Board of Directors and sub-committees also follow principles of good corporate governance prescribed by the Stock Exchange of Thailand.

Our Vision

We aim to be The Leading Logistics Group with Sustainable Growth in Southeast Asia

Our Mission

- Deliver logistics services and innovative logistics solutions that provide competitive advantage to our customers and partners. (THE RIGHT SOLUTION)
- Become a valuable business alliance to our customers and partners by building a long lasting relationship and sustainable growth. (THE RIGHT PARTNER)
- Conduct business responsibly through Corporate Governance for the best interest of all stakeholders, community and society. (THE RIGHT CORPORATE CITIZEN)

Strategy and Goal

The group company's goal is to build strengths and create growth in all business groups. The three main strategies are:

- Revenue Generation: the group company's goal is to create business growth by expanding its existing platform which consists of customers, business partners and products.
- Cost Management and Enhancement of Operational Efficiency: through continuous investment in information technology system and human resources development in order to increase competitiveness and provide satisfaction to customers and trade partners.
- Increase of Business Opportunities: through development of existing products and innovations in logistics and business expansion domestically and internationally. For instance, direct investment by the group company, joint venture, and merger or acquisition.



Overview of business structure and shareholding structure of the group company

Triple i Logistics Public Company Limited (the “Company” or “TLG”), including its subsidiaries and associated companies, has been providing logistic services for over 26 years. The Company started its first business in international sea freight forwarding in 1991. At present, the group company is a leading total logistics service provider. Our services include local and international logistic services which cover air freight, sea freight and inland transport business. The group company also provide customs clearance and supply chain management services. Logistics services provided by the Company cover general products and specialty products such as chemical and dangerous goods.

Each type of logistics services requires specialist knowledge, expertise and experience because each of them has different operational procedures, work process, network, alliance, trade partners and customers’ needs. The Group, therefore, has set-up an organization structure which focuses on truly building expertise in each and every type of logistics service and creating customers’ satisfaction and business growth. The Group has conducted annual customer satisfaction survey for every business unit. In 2018, the Group received customer satisfaction at “Very Good” level, with average score of 87%.

The businesses of the group company are operated by the Company, its subsidiaries and its associated companies with the total of 24 companies within the group company. The businesses of the Company can be divided into 4 main business units.

1. Air Freight Business

- Triple i Asia Cargo Company Limited (“TAC”), a subsidiary held 99.99% shares by the Company
- Triple i Air Express Company Limited (“TAX”), a subsidiary held 99.99% shares by the Company
- Triple i International Company Limited (“TIL”), a subsidiary held 100% shares by the Company
- Asia Ground Service Company Limited (“AGS”), a subsidiary held 99.99% shares by the Company
- Asia Network International Company Limited (“ANI”), a joint venture held 59.99% by the Company
- Excel Air Company Limited (“ECA-BKK”), an associate held 30.00% by the Company
- Triple i International Japan (“TIJ”), a subsidiary held 100% shares by TIL
- GSA Asia Cargo Company Limited (“GSA MM”), a joint venture held 60.00% by ANI
- GSA Cargo Network (Myanmar) (“GCN-MM”), a joint venture held 50.00% by TIL
- Guangzhou (“ECA-GZ”), an associate held 25.00% by TIL
- Excel Air (HK) (“ECA-HK”), an associate held 20.00% by TIL
- Freightwork GSA (HK) Limited (“Freight-HK”), an associate held 20.00% by TIL

2. Sea Freight and Inland Transport Business

- Triple i Maritime Agencies Company Limited (“TMA”), a subsidiary held 99.99% shares by the Company
- CK Line (Thailand) Company Limited (“CKT”), an associate held 42.00% by the Company,
- ECU Worldwide (Thailand) Company Limited (“ECU”), an associate held 43.00% by the Company

3. Logistics Management Business

- Triple i Logistics Public Company Limited (“TLG”), a company listed on the Stock Exchange of Thailand
- Triple i SupplyChain Company Limited (“TSC”), a subsidiary held 99.99% shares by the Company
- Cross Border Couriers Company Limited (“CBC”), a subsidiary held 99.99% shares by the Company

4. Chemical and Specialty Logistics Business

- HazChem Logistics Management Company Limited (“HLM”), a subsidiary held 99.99% shares by the Company
- HazChem Trans Management Company Limited (“HTM”), a joint venture held 59.99% by HLM
- DG Packaging (Thailand) Company Limited (“DGP”), a subsidiary held 99.99% shares by the Company
- CWT Chemical Logistics Company Limited (“CWT”), a joint venture held 50.99% by HLM. (CWT have registered the dissolution with the Ministry of Commerce on 1 November 2018 and under the liquidation process.)
- HazChem Logistics Management Pte. Ltd. (“HLM-SG”), a joint venture held 55.00% by HLM
- DG Packaging Pte. Ltd. (“DGPS”), a joint venture held 50.00% by the company.

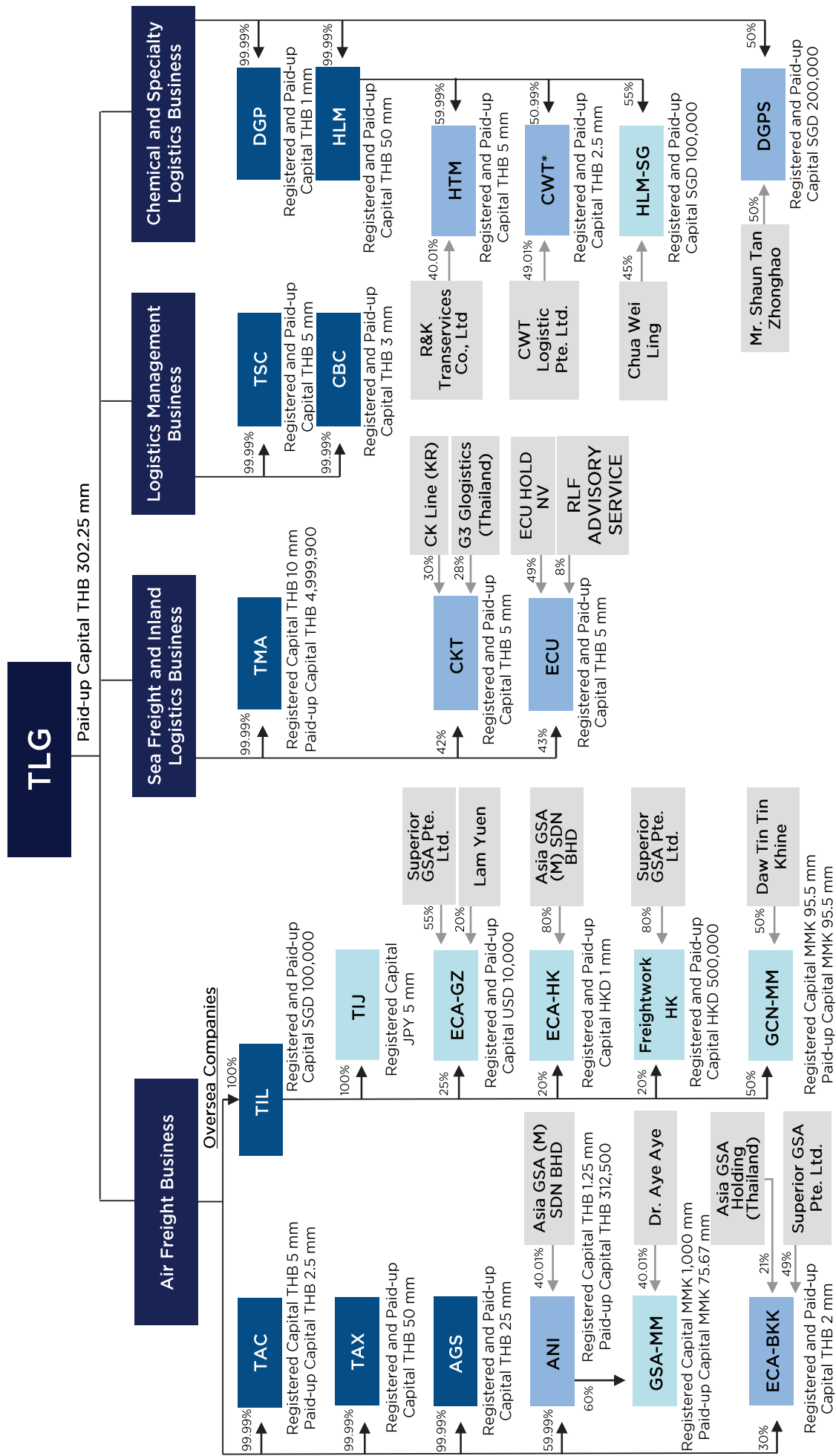
Revenue structure of the Company and its subsidiaries

	Consolidated Financial Statements					
	31 December 2016		31 December 2017		31 December 2018	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
	(Baht million)	revenue	(Baht million)	revenue	(Baht million)	revenue
Revenues from sales and services						
1. Air freight business	1,753.3	72.3%	1,863.9	71.4%	2,279.6	73.3%
2. Sea freight and inland transport business	83.3	3.4%	87.0	3.3%	116.6	3.8%
3. Logistics management business	121.1	5.0%	105.4	4.0%	135.0	4.3%
4. Chemical and dangerous goods logistics business	453.0	18.7%	539.7	20.7%	561.9	18.1%
5. Others ^{1/}	15.3	0.6%	14.8	0.6%	15.1	0.5%
Total revenues ^{2/}	2,426.0	100.0%	2,610.8	100.0%	3,108.2	100.0%
Total revenues after Inter-Co Transactions	2,075.6		2,294.6		2,770.6	

Remarks: ^{1/} Others: Revenues from other types of management consists of service fees from transport of personnel, office lease and service income.

^{2/} Total Revenues before Inter-Co Transaction

Business Structure and shareholding structure, 31 December 2018



Note : Individual and juristic persons jointly invested in iii are business partners only. None of these persons have personal relationship with director and/or management of the company.
 * CWT have registered to dissolution with the Ministry of Commerce and under the liquidation process.

Nature of business and competition policy

Triple i Logistics Public Company Limited, including its subsidiaries and associated companies, is a leading total logistics service provider, providing local and international logistics services, including air freight, sea freight, inland transport, warehouse management and product distribution services for general products and specialty products such as chemical and dangerous goods. The businesses of the Company can be divided into 4 main business units:



Air freight business



Sea freight and inland transport business



Logistics management business



Chemical and dangerous goods logistics business



Air Freight Business





Air Freight Business

1.1 General Sales Agent for airlines (GSA for airlines)

The group company acts as sales agent of air cargo by acting as sales of air cargo and performing other duties relating to air freight business for airlines represented by the Company's subsidiaries and associated companies. Those airlines include Thai AirAsia, Thai AirAsia X, Bhutan Airlines, Srilankan Airlines, Jeju Air and LAN Chile Airlines.

- Thai AirAsia and Thai AirAsia X: the group company acts as sales agent of air cargo of all flights of the airlines, both inbound and outbound. The group company has been acting as sales agent of Thai AirAsia since 2008 until present and sales agent of Thai AirAsia X since 2015 until present.
- Bhutan Airlines, Srilankan Airlines, Jeju Air and LAN Chile Airlines: the group company acts as sales agent of air cargo of all outbound flights of the airlines from Thailand.

1.2 Wholesale Air Freight Business

The group company provides wholesale air freight forwarder service, both domestic and international market, including customs clearance for both import and export and trucking service from airport to customers who are retail freight forwarders. In addition, the group company acts as a logistics service provider for Thailand Post Company Limited ("Thailand Post").

1.3 Air Cargo Terminal

The group company provides air cargo terminal and ground handling services such as transport of products to and from aircrafts and product sorting service at Donmuang Airport. At present, the Company, with an approval from Airports of Thailand Public Company Limited ("AOT"), provide both domestic and international warehouse, with service area of 1,350 square meters and 4,500 square meters respectively.



Competition policy

The target customers of air freight business can be categorized based on the following service type:

1. GSA for airlines:

- 1) International freight forwarders
- 2) Local freight forwarders
- 3) Partner airlines

2. Wholesale Air Freight Business (both international and domestic):

- 1) International freight forwarders
- 2) Local freight forwarders
- 3) Mail and express operators

3. Air cargo terminal:

- 1) Airlines
- 2) Business partners who require to use airport warehouse
- 3) Mail and express operators
- 4) E-commerce logistics provider

Market and Competition Situation

1. General Sales Agent for airlines (Cargo GSA and CSA)

GSA for airlines is a high potential business, which can be developed for continuous growth. To be appointed as the GSA for airlines, a company must have capabilities, expertise and reliable air freight network. Therefore, unlike international air freight forwarders, there are not many Cargo GSA for airlines.

2. Wholesale Air Freight Business

Air freight service is a competitive business as there is many air freight service providers in the market with similar capabilities. Hence, there is a high level of price competition. Competitiveness of service providers depends on whether they can secure competitive freight costs. Regardless of the high level of competition, air freight market continues to grow and given the right strategy, there is an opportunity to develop the business.

3. Air Cargo Terminal

Air cargo terminal and ground handling service is a specialized business which requires specific knowledge and the business operations must follow the applicable local and international standards. However, it is considered a high potential business because over a million tons of air cargo using Thai airport each year with high growth rate.



Marketing Strategy – Air Freight Business

1. Cost management

With continual development of service system and new products, the volume of air freight business of the group company continues to grow. Therefore, the group company has higher bargaining power in negotiating its freight costs. The group company has also set-up the Commercial Department who has a duty to conduct analysis and comparison on costs of services and provides competitive cost to the Company's Sales Department as intelligence marketing information. The Company's Sales Department can then use this information to offer services that meet customers' requirements, while effectively maintaining logistics costs to the customers and the Company.

2. Diversified services to increase revenue from existing customers and acquire new customers

The group company focuses on expanding its air freight business to cover more countries worldwide. The group company's strategy is to secure new air freight routes by partnering with airlines which travel to destinations not yet covered by the group company. In addition to securing new routes, the group company also provides warehouse service and airport ground handling services to respond to customers' needs in other services relating to air freight business and cover other services under air freight business.

3. Maintaining customer base and expansion of services to new customer group and foreign customers

The group company focuses on building good relationship with existing major customers who generate revenue to it and expanding its customer base to include E-commerce merchandise distributors, which is a highly growing industry, and foreign co-loaders. The business is operated by TIL, in cooperation with overseas partners. This strategy helps stimulating growth in revenue from providing services inbound and creates balance between inbound and outbound services.

4. Service quality development

The group company focuses on providing quality services with competitive pricing. It focuses on punctuality and safety and has been given the following certifications for effective management:

- TAC was granted ISO 9001:2008 Certification for acting as GSA for airlines in 2015.
- TAC was granted Regulated Agent Certification at Don Muang Airport in 2015.
- TAX was granted ISO 9001:2015 Certification for international air freight service provider in 2016.
- AGS was granted ISO 9001:2015 Certification for international air cargo terminal in 2018.

In the year 2018, the Group has developed its personnel and invested in various machinery and equipment to increase the efficiency of service.

- Investment in machinery and equipment

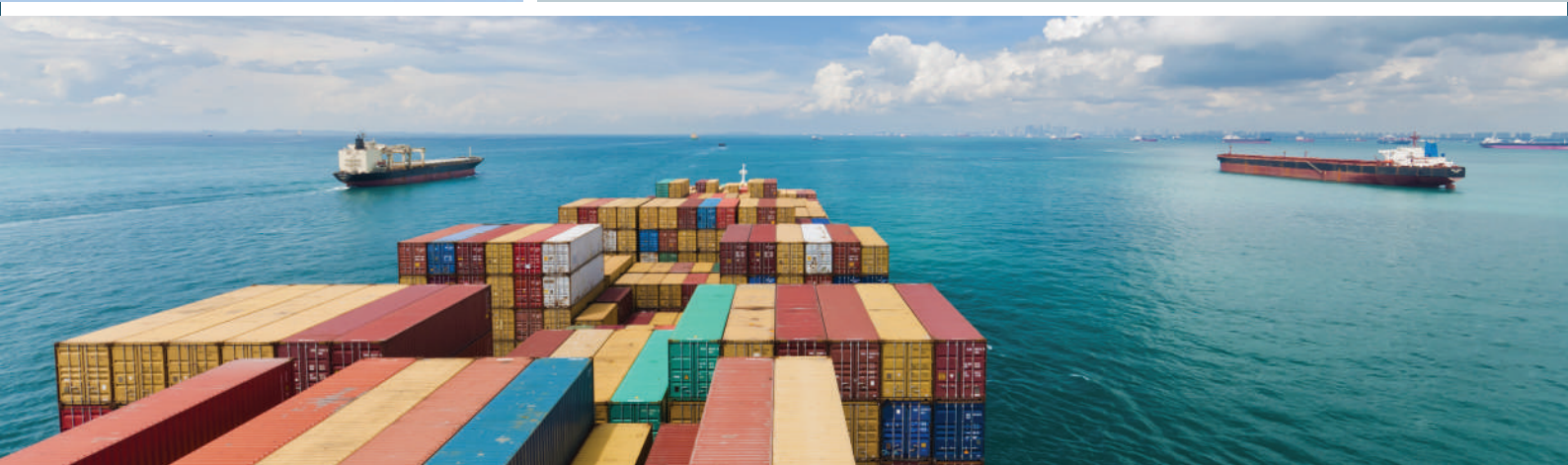
Investment by AGS mainly focuses on equipment that will help improving standard of its air freight service to be consistent with the international standards and in accordance with the regulations of the relevant authorities such as x-ray machine, fork-lift and storage shelves.

- Human resources development

The company regularly organizes trainings in order to equip its personnel with knowledge on operations according the standards and regulations of airlines and the relevant authorities such as The Civil Aviation Authority of Thailand. The company sends its personnel to attend courses provided by IATA. Such courses include Professional Skill for Dangerous Goods Instructor, Aviation Security Awareness, Train the Trainer and Initial Dangerous Goods CAT. Those personnel who have attended courses at IATA can provide trainings to the company's employees in order to increase efficiency of service according to the international standards.



Sea Freight and Inland Transport Business





Sea Freight and Inland Transport Business

2.1 Shipping Lines Agencies Business

The Company's subsidiaries and associated companies act as shipping line agencies, which provide sea freight – full container load (FCL) service and sell freight to the Company's subsidiaries and associated companies. The Company's subsidiaries and associated companies directly sell freight to target customers, such as exporters and importers, and international freight forwarders and third-party logistics providers (3PL) to cover all target customers. In addition, the Company provides other sea freight-related services to shipping line agencies, including cargo management and other related services such as stevedoring and securing inland container depot. At present, the Company is an agent of the following shipping lines:

- Rizhao Shipping Lines: TMA, the Company's subsidiary, has been appointed as sole and exclusive agent of Rizhao Shipping Lines of Rizhao Port (Hong Kong) Shipping Company Limited since September 2017. Rizhao Shipping Lines is a state enterprise in China with sea routes covering China, Vietnam and Thailand.
- CK Line: CK Line is under the management of CKT, a joint venture company between the Company and CK Line, South Korea, with sea routes between North Asian countries and Southeast Asian countries. It provides service routes between Thailand and other countries, namely Vietnam, China, South Korea, Japan and Hong Kong.

2.2 Worldwide Less Than Container Load – LCL Service

ECU Worldwide (Thailand) Co., Ltd., a joint venture company between ECU Worldwide Co., Ltd., a world-leading company which provides LCL service provider to small international freight forwarders. At present, ECU has service routes from Thailand to other countries worldwide, with over 50 direct routes and connecting routes through major port cities in which ECU Worldwide's offices are located. The port cities act as distribution centers for sea freight service to over 1,000 destinations worldwide.

2.3 Inland Container Transport

Inland container transport is a complementary service to shipping lines agency business, which provides transportation from port to port, expanding to multimodal transport. This business focuses on providing inland transport by containers and also covers port customs service. Containers are transported from port to destinations, both in Thailand and neighboring countries (cross-border service), as required by customers.

In 2017, TMA introduced a new service, providing container haulage service for both laden and empty containers, transport of liquid or gas from Boten, Laos to Thailand.

Competition policy

The target customers of sea freight and inland transport business can be categorized based on the following service type:

1. Shipping lines agencies and inland transport business

- 1) Exporters and importers who need sea freight service to countries in which Rizhao Shipping Lines and CK Line provide services
- 2) Freight Forwarder and third-party logistics (3PL)
- 3) Customers who are subsidiaries of group companies

2. Worldwide less than container load – LCL service

- 1) Multi-national freight forwarders who are global accounts of ECU Worldwide
- 2) Local freight forwarders
- 3) Licensed custom broker
- 4) Target exporters
- 5) Packing companies or packing houses for tourists who wish to transport products especially, handicrafts purchased from Thailand to their home countries

Market and Competition Situation

1. Shipping lines agencies and inland transport business

The services in niche market routes where average annual supply for freight does not exceed demand are profitable and have good potential. For instance, there is no direct service route from Thailand to Rizhao, which is the main port of Rizhao Shipping Lines. Another potential route is a route to Japan Outport, focusing on petrochemical products, agricultural products, and ready-to-eat food.

Other existing routes for which services are offered by the Company continue to grow in volume of freight transport. However, due to competitive environment, other players in the market may apply price-cutting strategy. For instance, during low season, customers with high frequency of freight transport may bargain for lower prices.

2. Worldwide less than container load – LCL service

There are many LCL service providers in the market, consisting of two groups: (i) local NVOCC players and (ii) global/regional NVOCC players. At present, there are over 30 local NVOCC players, each of whom has expertise in certain and different type of market, and there are less than 10 global/regional NVOCC players, each of whom provides variety of services worldwide. Therefore, global/regional NVOCC players take up 30% – 40% of the market share in aggregate.

The competitive advantage of ECU is being a local and global leader in NVOCC business with network of LCL services covering Thailand countrywide. Such competitive advantage was created through ECU having conducted LCL services for over 19 years and being part worldwide network of ECU Worldwide.

Marketing Strategy – Sea Freight and Inland Transport Business

1. Shipping lines agencies and inland transport business

- 1) *The service in routes that have a few service providers (Niche Market)*

The group company focuses on providing sea freight in routes which have only a few service providers in order to avoid price competition and reduce risk of imbalance in supply and demand of sea freight service.

2) *Cooperation among subsidiaries within the group company*

The group company consists of companies who provide worldwide freight forwarder services such as ECU, TLG, and HLM, who can provide services to customers through TMA and CKT, for both sea freight and inland transport services.

3) *Multimodal transport Service*

TMA had expanded its services from port to port service to multimodal transport, which resulted in expansion of scope of services of the group company, including customs clearance and inland transport for domestic and cross-border destinations as required by customers in order to build network worldwide and expand the business to cover both sea freight and inland transport.

4) *Expansion to inland container transport business*

TMA focuses on expanding the inland container transport business to accommodate shipping lines of which the group company acts as agent and customers of the Company's subsidiaries, expanding its customer base to cover shipping lines' customers. It also conducts feasibility study of conducting container depot business.

5) *Quality and customer focus development*

The group company focuses on development of quality service, increase its competitiveness and creating customer satisfaction. The group company has been awarded the following quality management certifications:

- TMA was granted ISO 9001:2015 Certification for providing freight forwarding service in the year 2017.
- CKT was granted ISO 9001:2015 Certification for providing international sea transportation by container service in the year 2017.

2. **Worldwide less than container load – LCL service**

1) *To become the world's leading service provider with global network*

ECU is one of the global leaders in non-vessel operating common carrier (NVOCC) business, specializing in less-than-container load (LCL) through worldwide network of ECU Worldwide and provides services under one brand. ECU consists of sales team who can offer services to global, regional and local customers, focusing on creating customers' satisfaction.

2) *To understand the needs of each customer group in order to effectively respond to those needs*

ECU conducts quantitative research through focus group by interviewing its target customer group which includes global and regional freight forwarders to understand their needs and provide services efficiently.

3) *Service quality development*

ECU has developed information technology for providing services to customers. It is the first NVOCC to connect its services to INTTRA, a web portal which offers services from many leading shipping lines. Customers can reserve freight via an online system which significantly increases efficiency and service quality.

4) *Fast service which efficiently responds to customers' needs*

ECU focuses on increasing direct freight service to customers in order to uplift service standard and provide fast and convenient service. In addition, it has set-up sea ports and docks for loading and distribution of products in various locations, for instance, warehouse at Klongtoey Port, warehouse at loading and distribution dock at Lat Krabang, Via Logistics' loading and distribution depot at Amata Nakhon Industrial Estate, Chonburi and Kerry Siam Seaport's loading and distribution depot at Laem Chabang Port for convenience to customers, both importers and exports.



Logistics Management Business





Logistics Management Business

3.1 International Logistics Service

The group company directly provides international logistics, service including air and sea transport, and cross-border transport to importers and exporters. It also provides custom clearance, including preparation and submission of documentation required to facilitate export or import into the country, representing customer during customs examination and assessment, and providing advice to customer on tax benefits and application process for certificate from the Food and Drug Administration.

3.2 Warehouse and Distribution

The group company provides fully integrated logistics services and distribution, including picking up goods from sea port or airport for distribution or transportation to warehousing service, inventory management service to importers and exporters. At present, the group company has warehouse in highly strategic location.



Competition policy

The target customers of logistics management business can be categorized based on the following service type:

1. International Logistics Service

The target customers are importers and exporters, focusing on importers of industrial goods and consumer goods, such as telecommunication products and computers, clothing, cosmetics, food, drug and medical supplies etc.

2. Warehouse and Distribution

The major target customers are importers and distributors, including high-value consumer goods, focusing on customers who require warehousing service, inventory management service, and local distribution service. The customers can be divided into 5 groups: (i) restaurant business operator whose restaurant is located in department store; (ii) distributor of information technology products and office supplies; (iii) distributor of sport equipment; (iv) manufacturer and distributor of healthcare and beauty products, and distributor of clothing such as fashion clothing and bags.

Market and Competition Situation

1. International Logistics Service

Competition in international logistics service is of high-level due to many players in the market, including local, regional and global service providers. In respect of Thailand's export trend, the products that are expected to enjoy higher export include higher-valued products, rather than agricultural products. Although the value of export will increase, the growth in export volume is expected to decrease. The decrease in export volume may affect volume of logistics service since service fees is calculated based on volume of logistics service.





2. Warehouse and Distribution

At present, a full logistics service is being widely offered by international companies and many local players, providing similar services. Therefore, the group company has to position itself clearly to communicate with its customers and effectively compete with its competitors.

Marketing Strategy – Logistics Management Business

1. Provision of one-stop service

The group company focuses on providing one-stop service. Its services cover all steps of logistics services. One of the strengths of TLG includes being an expert in international logistics service and one of the strengths of TSC includes being an expert in local logistics management in order to connect between services and provide effective logistics solutions and competitive logistic costs to customers.

2. Focus on differentiated logistics service

The group company focuses on providing differentiated logistics service by utilizing its expertise in logistics management, from planning logistics, storage, distribution in accordance with instructions, information analysis to solve problems for customers and reduce costs to fixing problems that occurred during logistics process. The group company's objective is to become leading logistics service provider of targeted products.

3. Focus on development of new logistics service

The group company focuses on developing new logistic service to accommodate change in technology and new type of commerce, including change in customer behavior. Example of new logistic service is E-fulfillment to accommodate e-commerce customers.

4. Development of personnel to become logistics solution partner

The group company focuses on growth and building long-term relationship with its customers. It emphasizes on developing its personnel to be equipped with skills and expertise to serve customers as logistics solution partner. The group company's personnel listens to customer's problem in order to create logistics solution which responds to each customer's needs.

5. Continuous development of service quality

The group company focuses on providing quality service which is safe and punctual. Due to its effective management in providing quality service, the group company has been awarded the following certifications:

- TLG was granted ISO 9001:2015 Certification as provider of international logistics service in the year 2016.
- TSC was granted ISO 9001:2015 Certification as provider of domestic transportation service in the year 2017.



Chemical and Dangerous Goods Logistics Business





Chemical and Dangerous Goods Logistics Business

4.1 Hazardous and dangerous good logistics integrator

The group company provides integration logistics service, including international air and sea transport of dangerous goods and chemicals, custom clearance for both import and export, warehousing service and inventory management of dangerous goods and chemicals, and local transport and distribution or transport from warehouse to overseas destinations. At present, the group company has several warehouses located in Ticon Logistics Park on Bangna-Trad Highway Km.39 in Chachoengsao with rental area of 23,735 square meters. The warehouse includes storage for general goods and refrigerated area.

4.2 Dangerous Goods Packaging Solution Provider

The Group has been distributing dangerous goods packaging and providing packaging service for dangerous goods transported via air freight since July 2018. Triple i Logistics Public Company Limited purchased ordinary shares of DG Packaging Pte. Ltd. (DGPS), a company incorporated in Singapore which distributes dangerous goods packaging and provides packaging service for transportation of dangerous goods. Following the acquisition, Triple i Logistics Public Company Limited has 50% shareholding in DG Packaging Pte. Ltd. (DGPS). The acquisition is considered a significant strategic move for expansion of chemical and dangerous goods logistics business overseas, particularly Singapore. Singapore is not only a trade center of ASEAN region, but also a chemical and dangerous goods logistics center of the region.



Competition policy

The target customers of chemical and dangerous goods logistics business can be categorized based on the following service type:

1. Hazardous and dangerous good logistics integrator

The target customers are customers in chemical industry such as manufacturers, distributors, users of chemicals and hazardous and dangerous goods, and local and international logistics providers. Over 90% of the customers are multinational corporations and majority of the customers are from Europe, the United States, Japan, Korea and China. Most customers in Thailand are SMEs.

For service to multinational corporation, if there is high volume of services required, the customer will open bidding for services. The contract term is usually 1 – 3 years, particularly for warehousing service for hazardous and dangerous goods.

2. Dangerous goods packaging solution provider

The key target customers are:

- (i) logistic service providers who require packing service, dangerous goods declaration service, labeling according to regulations regarding international air transport of dangerous goods by DGP,
- (ii) customers in automobile industry who put emphasis on high-quality packaging and services, and
- (iii) customers in chemical industry who transport sample chemicals (dangerous goods) to countries to which they would like to market.

Market and Competition Situation

The group company focuses on providing full logistics services for chemicals and dangerous goods. By combining knowledge in chemicals and dangerous goods with expertise in logistics, the group company provides integrated logistics services for such products. Most customers will normally use more than one service (multi-services or integrated services). The competition situation of chemical and dangerous goods business is unique as there is only a few competitors in the market who can provide, similar service to the group company, full logistics services for chemicals and dangerous goods. Majority of the competitors provides only certain logistic services for chemicals and dangerous goods or, some competitors provide full logistics services, but do not have expertise on chemicals and dangerous goods. As customers in chemical industry put emphasis on safety to health, environment and security, capabilities of logistics service providers for chemicals and dangerous goods become more important. Distribution and transport of chemicals and dangerous goods must be done properly and in accordance with complicated and ever more complex regulations regarding dangerous goods transport. In addition, packaging for air transport of chemicals and dangerous goods requires knowledge and understanding of IATA/ICAO's regulations regarding air transport of dangerous goods. The service provider must have trainings to enable it to strictly comply with such international standards. Such requirements reduce competition and facilitate growth of this business in the future.



Marketing Strategy – Chemical and Dangerous Goods Logistics Business

1. Providing integration logistics service for chemical and dangerous goods and being a regional leader in distribution of dangerous goods packaging and dangerous goods logistics services, including expanding its business worldwide

The group company's objective is to develop itself to become specialized logistics integrator who provide full services for transport of chemical and dangerous goods. It focuses on developing services which respond to diversified and specialized needs of customers in chemical and dangerous goods industry through continued development of various services. For instance, HTM is a company specializing in distribution and transport of dangerous goods. Requisite factors in conducting the business include quality of service provided by drivers, quality of trucks including maintenance and internal management systems, strict adherence to rules on safety to health, environment and security, and establishment of DGP to providing certified service packing for provision of dangerous goods packaging that have passed quality control, testing and receive standard certification in accordance with regulations by the United Nations regarding packaging testing and dangerous goods transport. The full and integrated logistics services provided by the group company is also another factor that will promote customers in using the group company's services and consequently generate additional revenue to the group company.

2. Strategic positioning as company with knowledge and expertise in dangerous goods and chemical logistics

The group company strategically positions itself as a dangerous goods logistics specialist. This is an in-depth communication to the target customers of which the majority are multinational corporations in chemical industry. The operation of this business focuses on the three following key values:

1) *Chemical knowledge*

The management of chemical and dangerous goods is a delicate and complex matter and, therefore, requires knowledge and expertise from the group company's personnel, including understanding in laws, rules and regulations at local level and international level. The group company has established internal database management system and provides systematic trainings in respect of dangerous goods and chemical in order to become technical knowledge-based DG logistics integrator, which will lead to development of value-added services and continuous development of personnel.

2) *Logistics expertise*

The Group has continuously improved and uplifted its service standard and was granted awards and certifications for the following services:

- HTM (Hazchem Trans Management Co., Ltd.) was awarded "Standardized Quality Service for Truck Transport" from Department of Land Transport, Ministry of Transport on 7 June 2018.
- HLM was awarded ISO 9001: 2015 certification on 23 May 2018 for its quality service.
- HLM was awarded Prime Minister's Export Award (PM Export Award) from Department of International Trade Promotion in the year 2011 and Export Logistics Model Award (ELMA) from Department of International Trade Promotion in the year 2008, 2009 and 2011.
- HLM was awarded the Thai Chamber of Commerce Business Ethics Standard Test Award from the Thai Chamber of Commerce in the year 2009.
- HLM was granted standard certification for service provision ISO 9001:2008 on 12 October 2011.

3) *Safety excellence*

The group company places importance on continuous development to strive for excellency in health safety, environment and security. It conducts its business under the philosophy 'Responsible Care®', which means determining to properly operate the business with honesty, transparency, and examinable for development of sustainable business.

3. Provision of knowledge and cooperation to networks and implementation of corporate social responsibility activities to create correct understanding relating to dangerous goods and chemical logistics

1) Logistics

- Training course to improve knowledge of the Company's key customers throughout the year 2018.
- Development and improvement of international freight forwarder profession, multimodal transport operator and international distribution center.
- Certification as organization assessor for transport business and storage of chemical and dangerous goods by Thailand Professional Qualification Institute.
- Acting as lecturer to share experience during ceremony for Export Logistics Model Award (ELMA) and improving logistics industry.
- Acting as master ceremony in Thailand's International Logistics Fair (TILOG-LOGISTIX) 2018 organized by Department of International Trade Promotion, the Ministry of Commerce.

2) Chemical management

- Development and drive towards national chemical management master plan no. 5.
- Attendance at Asia-Pacific conference organized by United Nations regarding strategic approach to international chemicals management (SAICM)
- Attendance at Asia-Pacific conference organized by Asia Pacific Responsible Care Organization
- Attendance at ASEAN conference regarding development of legal framework for international chemicals management for ASEAN Economic Community (ASEAN Regulatory Co-operation Workshop)
- Acting as honorable consultant for the development of master plan for management of chemical substance and dangerous goods B.E. 2562 – 2569 by Department of Industrial Works, Ministry of Industry.
- Provision of opinion on laws relating to chemical substance and dangerous goods management to government authorities in terms of both policy and practice, project to study, analyze and prepare a proposal for hazardous substance control and classifications/database of hazardous substances, development of policy on chemical safety management according to the internationally agreed system called GHS for business operators of hazardous substances used in households.

3) Safety, Occupational Health and Environment

- Acting as consultant to Chemical Industrial Group, the Federation of Thai Industries.
- Acting as consultant, providing recommendations and attending meetings in order to provide comments to Safety, Occupational Health and Environment Policy Committee, Chulalongkorn University. For instance, suggestion to organize University Safety Week and invitation to representatives of Safety, Occupational Health and Environment Center to visit the Company's dangerous goods warehouse.



MOVING FORWARD
TO THE GREATER
SUCCESS

3 ADMINISTRATION AND CORPORATE GOVERNANCE



Securities Information and Shareholders

As of 26 February 2019, the Company has its registered capital of 307,500,000 Baht dividing into ordinary shares of 615,000,000 shares with a par value at 0.50 Baht each and paid-up capital of 302,250,000 Baht dividing into 604,500,000 shares with a par value at 0.50 Baht each.

Shareholders

Below is the list of top 10 major shareholders as of 26 February 2019:

	Name of Shareholder	Number of Shares	Percentage (%)
1	Group Family - Dalal	141,571,386	23.42
1.1	Mr.Tipp Dalal ^{/1}	111,571,386	18.46
1.2	Mrs.Marguerite Linda Dalal	30,000,000	4.96
2	Group Family - Nobnomtham	110,044,074	18.20
2.1	Mr.Viraj Nobnomtham ^{/2}	105,044,074	17.38
2.2	Ms.Nittaya Sanguankongvilai	5,000,000	0.82
3	Mr.Teeranit Isarangkul ^{/3}	60,710,381	10.04
4	Mrs.Worapan Juengsubpaisan	28,463,700	4.71
5	Mr.Chalernsak Karnchanawarin ^{/4}	27,952,484	4.62
5	Mr.Jirod Panacharas ^{/5}	27,952,484	4.62
6	Group Family -Thatayanon	14,233,284	2.35
6.1	Mr.Thanut Thatayanon ^{/6}	12,200,591	2.02
6.2	Ms.Prangchat Wattanaporn	2,032,693	0.33
7	Mr.Jaruwat Juengsubpaisan	10,020,000	1.66
8	Mr.Siripat Ghamvongpairat	9,144,207	1.51
9	Mr.Sumate Thitipuree	8,867,544	1.47
10	Mrs.Darunee Rakpongpi boon ^{/7}	7,703,275	1.27
11	Other Shareholders	157,837,181	26.11
	Total	604,500,000	100.00

Remark:

1. Mr.Tipp Dalal holds the positions of Director, Chairman of Management Committee and Chief Executive Officer.
2. Mr.Viraj Nobnomtham holds the positions of Director, Member of Management Committee, Member of the Nomination and Remuneration Committee, Chairman of the Risk Management Sub-Committee and Group CFO.
3. Mr.Teeranit Isarangkul holds the positions of Director, Member of Management Committee, Member of the Corporate Governance Committee and Member of the Risk Management Sub-Committee.
4. Mr.Chalernsak Karnchanawarin holds the positions of Director, Member of Management Committee and Member of the Risk Management Sub-Committee.
5. Mr.Jirod Panacharas holds the positions of Director, Member of Management Committee and Member of the Corporate Governance Committee.
6. Mr.Thanut Thatayanon holds the positions of Director, Member of Management Committee, Member of the Corporate Governance Committee and Member of the Risk Management Sub-Committee.
7. Mrs.Darunee Rakpongpi boon holds the positions of Director, Member of Management Committee and Company Secretary.



Offering of Other Securities – Warrant to purchase the Company's ordinary shares

The Extraordinary General Meeting of shareholders No. 1/2017 held on 15 March 2017 has resolved to approve the issuing and offering of the warrant to purchase the Company's ordinary shares in the type of names of bearers shall be specified and non-transferable in the amount of 10,500,000 units by providing the right to the Company's employees to purchase the Company's shares at the ratio of 1 unit of warrant to right to purchase 1 ordinary share at the exercise price of 4.80 Baht per share, subject to the terms and conditions of the warrant.

Dividend Policy

The Company's dividend policy

The Company has the dividend policy to pay dividend to shareholders at the ratio of not less than 40% of the net profit of the Company financial statements after deduction of taxes, legal reserves and obligations of loan agreements provided that the payment of dividend may be changed from the policy depending on operating result, cash flow, necessity of investment, conditions and obligations of loan agreements and other appropriations in the future of the Company. If the Board of Directors resolves to approve the payment of annual dividend, it shall subsequently propose to the shareholders' meeting for approval unless it is a interim dividend payment which the Board of Directors of the Company can approve such payment of interim dividend and subsequently, report to the next shareholders' meeting.

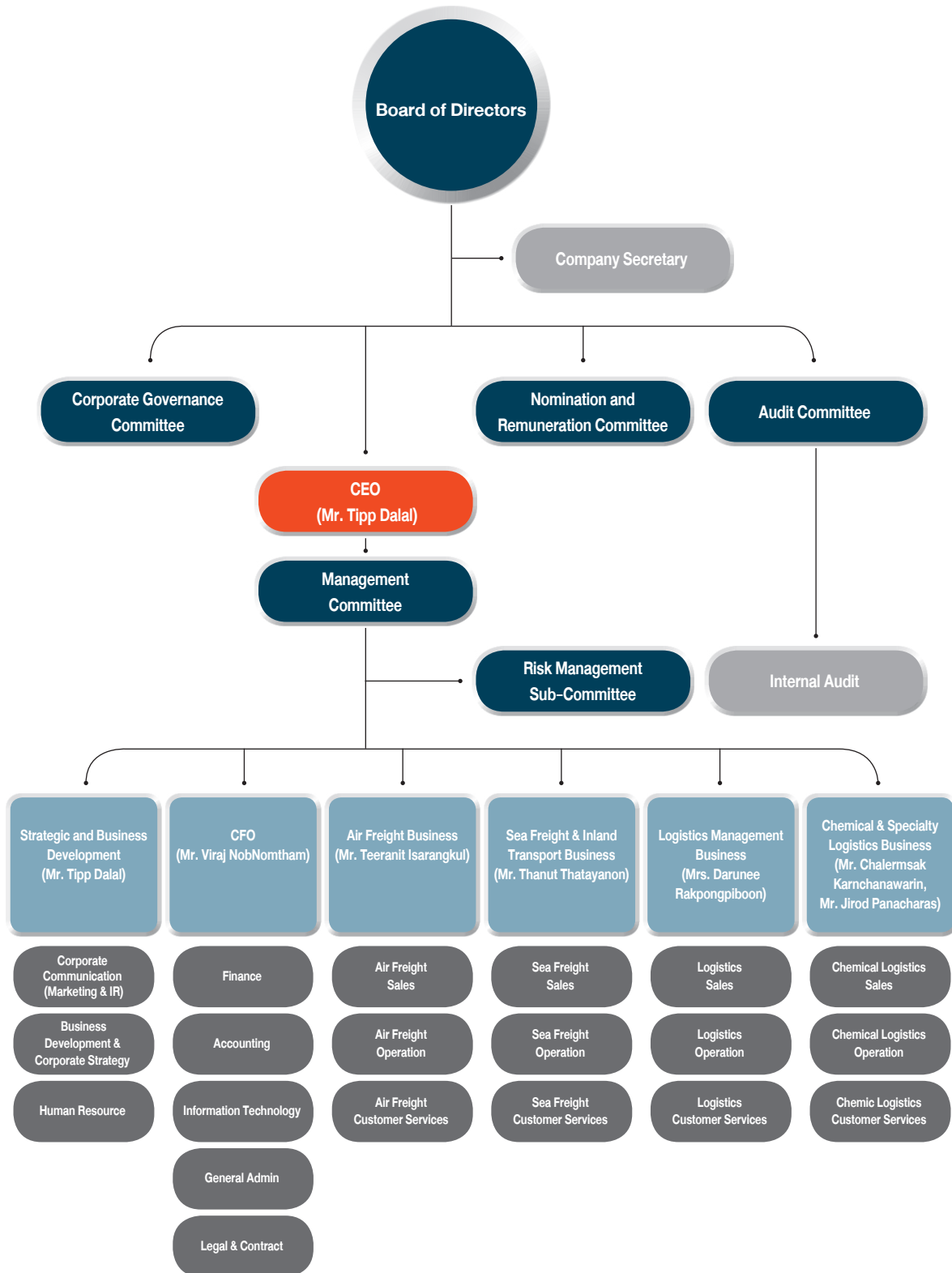
Subsidiaries' dividend policy

The dividend policy of the Company's subsidiaries for the payment of dividend to their shareholders shall be at the ratio of not less than 40% and shall be approved by the shareholders' meeting of each subsidiary for every year. The dividend shall be paid from the net profit as shown in the financial statements of each subsidiary after deduction of taxes, legal reserves and obligations of loan agreements provided that the payment of dividend may be changed from the policy depending on operating result, cash flow, necessity of investment, conditions and obligations of loan agreements and other appropriations in the future of the each subsidiary. The Board of Directors of each subsidiary can approve the payment of interim dividend and subsequently, shall report to the next shareholders' meeting of each subsidiary.



Management Structure

The management structure of Triple i Logistics Public Company Limited consists of the Board of Directors and the sub-committees which include the Audit Committee, the Nomination and Remuneration Committee, the Good Corporate Governance Committee, the Management Committee and the Risk Management Sub-committee, the details are as follows:



* Remark : ■ = Executive Director
Effective date : 2nd July 2018

Board of Directors



Mr. Krirkrai Jirapaet
Chairman of the Board /
Independent Director



Mr. Woodtipong Moleechad
Director / Independent Director /
Chairman of the Audit Committee



Mr. Apichart Chirabandhu
Director / Independent Director



Mr. Vipoota Trakulhoon
Director / Independent Director



Mr. Tipp Dalal
Director / Group CEO



Mr. Viraj Nobnomtham
Director / Group CFO



Mr. Teeranit Isarangkul
Director



Mr. Thanut Thatayanon
Director



Mrs. Darunee Rakpongpiboon
Director / Company Secretary



Mr. Jirod Panacharas
Director



Mr. Chalernsak Karnchanawarin
Director

Board of Directors

As of 31 December 2018, the Board of Directors consists of 11 persons as follows:

Name – Surname	Position
1. Mr. Krirkkrai Jirapaet ^{/1}	Chairman of the Board / Independent Director
2. Mr. Woodtipong Moleechad ^{/2}	Director / Independent Director / Chairman of the Audit Committee
3. Mr. Vipoota Trakulhoon ^{/3}	Director / Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee
4. Mr. Apichart Chirabandhu ^{/4}	Director / Independent Director / Member of the Audit Committee / Chairman of the Corporate Governance Committee
5. Mr. Tipp Dalal	Director / Chairman of Management Committee / Group CEO
6. Mr. Viraj Nobnomtham	Director / Member of Management Committee / Member of the Nomination and Remuneration Committee / Chairman of the Risk Management Sub-Committee / Group CFO
7. Mr. Teeranit Isarangkul	Director / Member of Management Committee / Member of the Corporate Governance Committee / Member of the Risk Management Sub-Committee
8. Mr. Thanut Thatayanon	Director / Member of Management Committee / Member of the Corporate Governance Committee / Member of the Risk Management Sub-Committee
9. Mrs. Darunee Rakpongpi boon ^{/5}	Director / Member of Management Committee / Company Secretary
10. Mr. Jirod Panacharas	Director / Member of Management Committee / Member of the Corporate Governance Committee
11. Mr. Chalernsak Karnchanawarin ^{/6}	Director / Member of Management Committee / Member of the Risk Management Sub-Committee

Remarks : None of the directors was employee or partner of the audit firm engaged by the Company.
All directors have completed Director Accredited Program (DAP) and/or Director Certification Program (DCP) organized by Thai Institute of Directors (IOD).

^{/1} Mr. Krirkkrai Jirapaet is an independent director with knowledge, expertise and experience in local and international trade management, and organizational management according to principles of good corporate governance.

^{/2} Mr. Woodtipong Moleechadis an independent director with experience in the Company's business (former Senior Vice President of Operations Department of Thailand Post Co., Ltd.).

^{/3} Mr. Vipoota Trakulhoon is an independent director with knowledge and experience in accounting and financial statements review.

^{/4} Mr. Apichart Chirabandhu is an independent director with knowledge and experience in laws.

^{/5} Mrs. Darunee Rakpongpi boon was appointed as the Company Secretary on 15 November 2016 and completed Company Secretary Program 68/2016 organized by Thai Institute of Directors (IOD).

^{/6} Mr. Chalernsak Karnchanawarin was appointed as director on 26 April 2018.

Authorized Directors to bind the Company

The authorized directors to bind the Company are Mr. Tipp Dalal, Mr. Viraj Nobnomtham, Mr. Teeranit Isarangkul, Mr. Thanut Thatayanon, Mr. Jirod Panacharas and Mrs. Darunee Rakpongpi boon, any two of six directors jointly sign together with the Company's seal affixed.

Scope of Authorities, Duties and Responsibilities of the Board of Directors

The Board of Directors has the authorities, duties and responsibilities of management of the Company to comply with the laws, objectives and Articles of Association of the Company including the resolution of the shareholders' meeting by exercising of duty of good faith, duty of care and duty of Company's benefit protection, the details of the authorities, duties and responsibilities are as follows:

1. To determine visions, missions, policies, strategies and financial goals of the Company and its subsidiaries including to approve policies and business directions as proposed by the management team, to supervise the management team to comply with the visions, missions, policies, strategies and financial goals by considering of all relevant stakeholders.
2. To consider and approve business operations of the Company and its subsidiaries which to be in line with the Articles of Association of each company of which it shall include annual budget, quarter and annual financial statements, interim dividend payments, acquisitions, establishments, disposals or liquidations of significant assets or businesses of company, change of authorizations of persons as previously authorized by the Board of Directors.
3. To determine organizations and procedures of the Company and its subsidiaries to ensure that it will be operated in accordance with the orders, Articles of Association, Board of Directors' resolutions, shareholders' resolutions with duty of good faith and duty of care.
4. To determine organizations and procedures of the Company and its subsidiaries for having risk management system, supervisory and auditing including appropriate internal control.
5. To follow up and evaluate performance of management of the Company and its subsidiaries to achieve strategy and plan under budget as approved by the Board of Directors.
6. To supervise the preparation of accountings and maintaining of financial accounts and relevant documents including financial information, operating result, related party transactions and acquisitions or disposals of significant assets to be accurately and completely disclosed to shareholders and public.
7. To review and act to ensure that the Company and its subsidiaries comply with required ethics.
8. To appoint persons to act as director or executive of subsidiary and to determine scope of duties and responsibilities including determining of certain scope of authorizations and to ensure that the voting of Board of Directors' subsidiary on significant matters will be obtained the prior approval of the Company's Board of Directors.

The authorization of duties and responsibilities of the Company's Board of Directors shall not be the authorization or sub-authorization that the Board of Directors or authorized person is able to approve transaction that they or persons that may have conflict (pursuant to the definition as defined in the Notification of the Securities and Exchanges Commission or Notification of the Capital Market Supervisory Board), may have conflict of interest or may receive benefits in any manners or may have other conflict of interest with the Company or subsidiary saved for the approval of transaction that is in accordance with policies and conditions as approved by the shareholders' meeting or Board of Directors.

Term of Office

One-third of directors of the Board of Directors shall be discharged by rotation in every annual general meeting of shareholders. The directors who have the longest term shall be discharged and if such discharged directors cannot be divided into one-third, the closest number of one-third of total directors shall be discharged. The discharged director can be reappointed.

In addition, to comply with the good corporate governance principle, the term of office of the independent director must not be more than 9 years.



Mr. Krirkkrai Jirapaet

Age 75 years

Chairman of the board / Independent Director

Appointed as director on 15 March 2017

(%) Share Possession* as of 26 February 2019

-

Changes in number of Shares during the year

-

Relationship between the executive

-

Educations

- Bachelor of Arts (Hons), Political Science, Chulalongkorn University
- Master of Economics, Sydney University, Australia

Certifications

- Director Certification Program (DCP) Class 61/2005, Thai Institute of Directors (IOD)
- The Role of Chairman Program (RCP), Thai Institute of Directors (IOD)
- Audit Committee Program (ACP), Thai Institute of Directors (IOD)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present Chairman of the board / Independent Director, Triple i Logistics PLC.

Positions in Other Listed Companies

2016 – Present Chairman of Advisers to Banpu PCL.

2008 – Present Chairman of the board / Independent Director, QTC Energy PCL.

2008 – 2016 Chairman of the board / Independent Director, Banpu PCL.

Positions in Non Listed Companies

2014 – Present Director, Sammitr Green Power Co., Ltd

Positions in Other Organizations

2018 – Present Honorary Chairman / Thai Institute of Directors (IOD)

2015 – Present Member of Council of State

1970 – Present Deputy Chairman of UTCC Council

* Includes holding by spouse and minor children



Mr. Woodtipong Moleechad

Age 70 years

Independent Director / Chairman of the Audit Committee

Appointed as director on 15 March 2017, 24 April 2018 (re-elected)

(%) Share Possession* as of 26 February 2019

-

Changes in number of Shares during the year

-

Relationship between the executive

-

Educations

- Bachelor of Economics, Thammasat University

Certifications

- Director Certification Program (DCP) Class 130/2010, Thai Institute of Directors (IOD)
- Director Certification Program Update (DCPU) Class 3/2015, Thai Institute of Directors (IOD)
- Anti-Corruption for Executive Program (ACEP), Thai Institute of Directors (IOD)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present Independent Director / Chairman of the Audit Committee, Triple i Logistics PLC.

Positions in Other Listed Companies

2015 – Present Chairman of the Board , Business Alignment PCL.

2009 – Present Chairman of the Board / Chairman of the board Independent Director / Chairman of the Corporate Governance Committee / Member of the Audit Committee / Member of the Nomination and Remuneration Committee, Symphony Communication PLC.

2015 – 2018 Chairman of the Board, International Research Corporation PCL.

Positions in Non Listed Companies

2012 – 2015 Director, Alsolar1 Co., Ltd.

2010 – 2014 Director / Member of Audit Committee / Member of Corporate Affairs, Sukhumvit Asset Management Co., Ltd.

Positions in Other Organizations

2009 – 2015 Member of the Council of Experts of King Mongkut's Institute of Technology Lat Krabang

2008 – 2014 Director of Department of Issuing, Bank of Thailand

* Includes holding by spouse and minor children



Mr. Apichart Chirabandhu

Age 60 years

Independent Director / Chairman of the Corporate Governance Committee /

Member of the Audit Committee / Member of the Nomination and Remuneration Committee

Appointed as director on 15 March 2017

(%) Share Possession* as of 26 February 2019

-

Changes in number of Shares during the year

-

Relationship between the executive

-

Educations

- Bachelor of Laws, Ramkhamhaeng University
- Diploma, The Joint State-Private Sector Course (Class 24), The National Defence College of Thailand (NDC) 2011-2012

Certifications

- Director Accreditation Program (DAP) Class 103/2013, Thai Institute of Directors (IOD)
- Politics and Governance in Democratic Systems for Executives (Class 18), King Prajadhipok's Institute
- Advanced Audit Committee Program (AAP) 2018, Thai Institute of Directors (IOD)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

- 2017 – Present Independent Director / Chairman of the Corporate Governance Committee / Member of the Audit Committee / Member of the Nomination and Remuneration Committee, Triple i Logistics PLC.

Positions in Other Listed Companies

- 2018 – Present Independent Director / Chairman of the Audit Committee / Member of the Corporate Governance Nomination Committee, Thai Vegetable Oil PLC.
- 2014 – Present Independent Director / Member of the Audit Committee / Member of the Nomination Committee / Member of the Corporate Governance Committee, Millcon Steel PLC.
- 2013 – Present Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee, Nok Airlines PLC.

Positions in Non Listed Companies

- 2009 – Present Director of AC Worldwide Co., Ltd.
- 1998 – Present Director of Top Performing Corporation Co., Ltd.
- 1991 – Present Director of Siam Premier International Law Office Limite
- 2014 – 2018 Director of Continental Holding Co., Ltd.
- 2002 – 2018 Director of Siam Premier Service Co., Ltd.

Positions in Other Organizations

- 2018 – Present Advisor to the Minister of Tourism and Sports

* Includes holding by spouse and minor children



Mr. Vipoota Trakulhoon

Age 52 years

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

Appointed as director on 15 March 2017, 24 April 2018 (re-elected)

(%) Share Possession* as of 26 February 2019

-

Changes in number of Shares during the year

-

Relationship between the executive

-

Educations

- Bachelor of Business Administration, Major of Banking and Finance, Chulalongkorn University
- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Certifications

- Director Accreditation Program (DAP) Class 120/2015, Thai Institute of Directors (IOD)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee, Triple i Logistics PLC.

Positions in Other Listed Companies

2016 – Present Independent Director / Member of the Audit Committee of Business Alignment PCL.
2014 – Present Director of Millcon Steel PLC.
2011 – 2013 Executive Vice President, Head of Corporate Banking Group Of Krungthai Bank PCL.

Positions in Non Listed Companies

2015 – Present Director of Creative Kobelco Millcon Co., Ltd
2015 – Present Director of IFAC Advisory Co., Ltd.
2014 – Present Director of Creative Power Co., Ltd.
2013 – 2013 Chairman of the Board of Krung Thai IBJ Leasing Co., Ltd.

Positions in Other Organizations

-

* Includes holding by spouse and minor children



Mr. Tipp Dalal

Age 52 years

Director / Chairman of Management Committee / Group CEO

Appointed as director on 15 March 2017, 24 April 2018 (re-elected)

(%) Share Possession* as of 26 February 2019

23.42

Changes in number of Shares during the year

+200,000 share (+0.03%)

Relationship between the executive

-

Educations

- Bachelor of Business Administration, Major in Merchant Marine, Chulalongkorn University

Certifications

- Director Certification Program (DCP) Class 228/2016, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) Class 124/2016, Thai Institute of Directors (IOD)
- Leadership Program Batch 25, Capital Market Academy

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present	Director / Chairman of Management Committee / Group CEO, Triple i Logistics PLC.
2018 – Present	Director, DG Packaging Pte., Ltd.
2016 – Present	Director, GSA Cargo Network Co., Ltd.
2015 – Present	Director, Cross Border Couriers Co., Ltd.
2015 – Present	Director, Triple i International Pte. Ltd.
2014 – Present	Director, HazChem TransManagement Co., Ltd.
2013 – Present	Director, Asia Ground Service Co., Ltd.
2013 – Present	Director, Triple i SupplyChain Co., Ltd.
2013 – Present	Director, Excel Air Co., Ltd.
2012 – Present	Director, Asia Network International Co., Ltd.
2012 – Present	Director, CWT Chemical Logistics Co., Ltd.
2012 – Present	Director, GSA Asia Cargo Co., Ltd.
2011 – Present	Director, CK Line (Thailand) Co., Ltd.
2010 – Present	Director, DG Packaging (Thailand) Co., Ltd.
2008 – Present	Director, Triple i Asia Cargo Co., Ltd.
2007 – Present	Director, Triple i Air Express Co., Ltd.
2004 – Present	Director, HazChem Logistics Management Co., Ltd.
1996 – Present	Director, Triple i Maritime Agencies Co., Ltd.
2014 – 2018	Director, Triple i GSA Cargo Co., Ltd.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

2016 – 2018	Director, SKS Terminal Co., Ltd.
2010 – 2018	Director, SKS Property Co., Ltd.
2012 – 2018	Director, SKS Asset Plus Co., Ltd.

* Includes holding by spouse and minor children



Mr. Viraj Nobnomtham

Age 53 years

Director / Member of Management Committee / Member of the Nomination and Remuneration Committee / Chairman of the Risk Management Sub-Committee / Group CFO

Appointed as director on 15 March 2017

(%) Share Possession* as of 26 February 2019

18.20

Changes in number of Shares during the year

+1,300,000 share (+0.22%)

Relationship between the executive

-

Educations

- Bachelor of Business Administration, Major in Merchant Marine, Chulalongkorn University

Certifications

- Director Certification Program (DCP) Class 213/2015, Thai Institute of Directors (IOD)
- Strategic Financial Leadership Program (SFLP)2018, Thai Listed Companies Association
- Anti-Bribery and Anti-Corruption (UK and Europe) 2018 Thomson Reuters Compliance Learning (online learning)
- General Data Safety Protection (UK and Europe) 2018 Thomson Reuters Compliance (online learning)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present	Director / Member of Management Committee / Member of the Nomination and Remuneration Committee / Chairman of the Risk Management Sub-Committee / Group CFO, Triple i Logistics PLC.
2016 – Present	Director, GSA Cargo Network Co., Ltd
2015 – Present	Director, Cross Border Couriers Co., Ltd.
2015 – Present	Director, Triple i International Pte. Ltd.
2013 – Present	Director, Asia Ground Service Co., Ltd.
2013 – Present	Director, Triple i SupplyChain Co., Ltd.
2012 – Present	Director, Asia Network International Co., Ltd.
2011 – Present	Director, CK Line (Thailand) Co., Ltd.
2008 – Present	Director, Triple i Asia Cargo Co., Ltd.
2007 – Present	Director, Triple i Air Express Co., Ltd.
2005 – Present	Managing Director, ECU Worldwide (Thailand) Co., Ltd.
2004 – Present	Director, HazChem Logistics Management Co., Ltd.
1996 – Present	Director, Triple i Maritime Agencies Co., Ltd.
2014 – 2018	Director, Triple i GSA Cargo Co., Ltd.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

-

Positions in Other Organizations

-

* Includes holding by spouse and minor children



Mr. Teeranit Isarangkul

Age 48 years

Director / Member of Management Committee / Member of the
Corporate Governance Committee / Member of the Risk Management Sub-Committee

Appointed as director on 15 March 2017

(%) Share Possession* as of 26 February 2019 10.04

Changes in number of Shares during the year -

Relationship between the executive -

Educations

- Bachelor of Art, UTCC

Certifications

- Director Accreditation Program (DAP) Class 127/2016, Thai Institute of Directors (IOD)
- Financial Statements for Directors Class 30/2016, Thai Institute of Directors (IOD)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

2017 – Present Director / Member of Management Committee / Member of the Corporate Governance Committee / Member of the Risk Management Sub-Committee, Triple i Logistics PLC.
2013 – Present Managing Director, Asia Ground Service Co., Ltd.
2012 – Present Director, GSA Asia Cargo Co., Ltd.
2009 – Present Director / Managing Director, Asia Network International Co., Ltd.
2008 – Present Director / Managing Director, Triple i Asia Cargo Co., Ltd.
2007 – Present Director / Managing Director, Triple i Air Express Co., Ltd.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

-

Positions in Other Organizations

-

* Includes holding by spouse and minor children



Mr. Thanut Thatayanon

Age 49 years

Director / Member of Management Committee / Member of the Corporate Governance Committee/ Member of the Risk Management Sub-Committee

Appointed as director on 15 March 2017

(%) Share Possession* as of 26 February 2019 2.35

Changes in number of Shares during the year -

Relationship between the executive -

Educations

- Bachelor of Accountancy, Chulalongkorn University
- Master of Business Administration, Chulalongkorn University

Certifications

- Director Accreditation Program (DAP) Class 127/2016, Thai Institute of Directors (IOD)
- Director Certification Program (DCP) Class 240/2017, Thai Institute of Directors (IOD)
- Top Executive Program in Commerce and Trade (TEPCoT) Class 9/2015, Thai Chamber of Commerce
- Business Revolution and Innovation Network (Brain) Class 1/2017, The Federation of Thai Industries
- Advanced Master of Management Program Class 2/2018, National Institute of Development Administration (NIDA)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

- 2017 – Present Director / Member of Management Committee / Member of the Corporate Governance Committee / Member of the Risk Management Sub-Committee, Triple i Logistics PLC.
- 2009 – Present Director / Managing Director, CK Line (Thailand) Co., Ltd.
- 2007 – Present Director / Managing Director, Triple i Maritime Agencies Co., Ltd.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

-

Positions in Other Organizations

-

* Includes holding by spouse and minor children



Mrs. Darunee Rakpongpi boon

Age 47 years

Director / Member of Management Committee / Company Secretary

Appointed as director on 15 March 2017, 24 April 2018 (re-elected)

(%) Share Possession* as of 26 February 2019 1.27

Changes in number of Shares during the year -

Relationship between the executive -

Educations

- Bachelor of Science, Chulalongkorn University
- Master of Business Administration, Chulalongkorn University

Certifications

- Director Accreditation Program (DAP) Class 127/2016, Thai Institute of Directors (IOD)
- Company Secretary Program Class 68/2016, Thai Institute of Directors (IOD)
- Financial Statements for Directors Class 34/2017, Thai Institute of Directors (IOD)
- IR Fundamental Course 2018, Thailand Securities Institute (TSI)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

2008 – Present Director / Member of Management Committee / Company Secretary, Triple i Logistics PLC.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

-

Positions in Other Organizations

-

* Includes holding by spouse and minor children



Mr. Jirot Panacharas

Age 46 years

Director / Member of Management Committee / Member of the Corporate Governance Committee

Appointed as director on 15 March 2017

(%) Share Possession* as of 26 February 2019 4.62

Changes in number of Shares during the year -

Relationship between the executive -

Educations

- Bachelor of Business Administration, Assumption University
- Master of Science (CEM), Assumption University

Certifications

- Director Accreditation Program (DAP) Class 127/2016, Thai Institute of Directors (IOD)
- Financial Statements for Directors Class 34/2017, Thai Institute of Directors (IOD)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

- 2017 – Present Director / Member of Management Committee / Member of the Corporate Governance Committee, Triple i Logistics PLC.
- 2018 – Present Director, Triple i SupplyChain Co., Ltd.
- 2014 – Present Director, HazChem TransManagement Co., Ltd.
- 2010 – Present Director / Managing Director, DG Packaging (Thailand) Co., Ltd.
- 2008 – Present Director / Executive Director, HazChem Logistics Management Co., Ltd.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

-

Positions in Other Organizations

-

* Includes holding by spouse and minor children



Mr. Chalernsak Karnchanawarin

Age 42 years

Director / Member of Management Committee /
Member of the Risk Management Sub-Committee

Appointed as director on 24 April 2018

(%) Share Possession* as of 26 February 2019

4.62

Changes in number of Shares during the year

-

Relationship between the executive

-

Educations

- Bachelor of Business Administration, Assumption University
- Master of Business Administration, Assumption University

Certifications

- Director Accreditation Program (DAP) Class 126/2016, Thai Institute of Directors (IOD)

Working Experiences

Positions in Company / Joint Venture Companies / Affiliated Companies

2018 – Present	Director / Member of Management Committee / Member of the Risk Management Sub-Committee, Triple i Logistics PLC.
2018 – Present	Director, DG Packaging Pte., Ltd.
2014 – Present	Director, HazChem TransManagement Co., Ltd.
2013 – Present	Director, Triple i SupplyChain Co., Ltd.
2012 – Present	Director, CWT Chemical Logistics Co., Ltd.
2010 – Present	Director, DG Packaging (Thailand) Co., Ltd.
2008 – Present	Director / Managing Director, HazChem Logistics Management Co., Ltd.
2013 – 2016	Director, GSA Cargo Network Co., Ltd.

Positions in Other Listed Companies

-

Positions in Non Listed Companies

-

Positions in Other Organizations

-

* Includes holding by spouse and minor children

Management Committee

As of 31 December 2018, the Management Committee consists of 7 persons as follows:

List of the Management Committee	Position
1. Mr. Tipp Dalal	Chairman of Management Committee / Group CEO
2. Mr. Viraj Nobnomtham	Management Committee / Group CFO
3. Mr. Teeranit Isarangkul	Management Committee
4. Mr. Thanut Thatayanon	Management Committee
5. Mrs. Darunee Rakpongpi boon	Management Committee
6. Mr. Jirod Panacharas	Management Committee
7. Mr.Chalerm Sak Karnchanawarin	Management Committee

Sub-committee of the Company

Audit Committee

As of 31 December 2018, the Audit Committee consists of 3 persons as follows:

Name – Surname	Position
1. Mr. Woodtipong Moleechad	Chairman of the Audit Committee
2. Mr. Vipoota Trakulhoon*	Audit Committee
3. Mr. Apichart Chirabandhu	Audit Committee

The 3 members of the Audit Committee are independent directors and have knowledges and experiences pursuant to the qualifications of the Audit Committee where Mr. Vipoota Trakulhoon is the member of Audit Committee who has the knowledges and experiences in relation to the review of financial statements and was the Senior Executive Vice President - Managing Director Corporate Banking Group of Krung Thai Bank Public Company Limited from year 2011 to year 2013.

Good Corporate Governance Committee

As of 31 December 2018, the Good Corporate Governance Committee consists of 4 persons as follows:

Name – Surname	Position
1. Mr. Apichart Chirabandhu*	Chairman of the Corporate Governance Committee
2. Mr. Thanut Thatayanon	Corporate Governance Committee
3. Mr. Jirod Panacharas	Corporate Governance Committee
4. Mr. Teeranit Isarangkul	Corporate Governance Committee

Remark : * Independent Director

Nomination and Remuneration Committee

As of 31 December 2018, the Nomination and Remuneration Committee consists of 3 persons as follows:

Name – Surname	Position
1. Mr. Vipoota Trakulhoon *	Chairman of the Nomination and Remuneration Committee
2. Mr. Apichart Chirabandhu *	Member of the Nomination and Remuneration Committee
3. Mr. Viraj Nobnomtham	Member of the Nomination and Remuneration Committee

Remarks : * Independent Director

Risk Management Sub-committee

As of 31 December 2018, the Risk Management Sub-committee consists of 5 persons as follows:

Name – Surname	Position
1. Mr. Viraj Nobnomtham	Chairman of the Risk Management Sub-Committee
2. Mr. Teeranit Isarangkul	Risk Management Sub-Committee
3. Mr. Thanut Thatayanon	Risk Management Sub-Committee
4. Mr. Chalernsak Karnchanawarin	Risk Management Sub-Committee
5. Mr. Suchart Tanasoontrarat	Risk Management Sub-Committee

Meeting Attendance Record of the Board of Directors for the year 2018

The Board of Directors set meeting schedule for the whole year in advance and inform all directors at the beginning of the year. In 2018, Attendance records are as follows:

Name of Directors	Board of Directors	Audit Committee	Good Corporate Governance Committee	Nomination and Remuneration Committee	Annual General Meeting
1. Mr. Krirkkrai Jirapaet	7/7	-	-	-	1/1
2. Mr. Woodtipong Moleechad	7/7	6/6	-	-	1/1
3. Mr. Vipoota Trakulhoon	7/7	6/6	-	2/2	1/1
4. Mr. Apichart Chirabandhu	6/7	5/6	2/2	1/2	1/1
5. Mr. Tipp Dalal	7/7	-	-	-	1/1
6. Mr. Viraj Nobnomtham	7/7	-	-	2/2	1/1
7. Mr. Thanut Thatayanon	7/7	-	2/2	-	1/1
8. Mrs. Darunee Rakpongpi boon	7/7	-	-	-	1/1
9. Mr. Teeranit Isarangkul	7/7	-	2/2	-	1/1
10. Mr. Jirod Panacharas	7/7	-	2/2	-	1/1
11. Mr. Chalernsak Karnchanawarin*	6/7	-	-	-	1/1

Remarks : Number of Attendance / Number of Meeting

* Mr. Chalernsak Karnchanawarin was appointed as director on 26 April 2018. His attendance at the board of directors' meetings since appointment was 6/6.

Name – Surname	Management Committee
1. Mr. Tipp Dalal	9/9
2. Mr. Viraj Nobnomtham	8/9
3. 3Mr. Teeranit Isarangkul	8/9
4. Mr. Thanut Thatayanon	8/9
5. Mrs. Darunee Rakpongpi boon	9/9
6. Mr. Jirod Panacharas	9/9
7. Mr. Chalernsak Karnchanawarin	8/9

Remark : Number of Attendance / Number of Meeting

Name – Surname	Risk Management Sub-Committee
1. Mr. Viraj Nobnomtham	2/2
2. Mr. Teeranit Isarangkul	2/2
3. Mr. Thanut Thatayanon	2/2
4. Mr. Chalernsak Karnchanawarin	2/2
5. Mr. Suchart Tanasoontrarat	2/2

Remark : Number of Attendance / Number of Meeting

Training attendance by the Board of Directors in the year 2018

The Board of Directors emphasizes the importance of, and encourage directors to attend, training programs or conferences relating to their duties and responsibilities in order to increase knowledge in performing their duties.

Name of Directors	Training Programs
1. Mr. Krirkkrai Jirapaet	- Digital Transformation : A Must for All Companies, IOD - Disruptive Technologies
2. Mr. Woodtipong Moleechad	- Disruptive Technologies
3. Mr. Vipoota Trakulhoon	- Disruptive Technologies
4. Mr. Apichart Chirabandhu	- Advanced Audit Committee Program 2018, IOD - Disruptive Technologies
5. Mr. Tipp Dalal	- Disruptive Technologies
6. Mr. Viraj Nobnomtham	- Anti-Bribery and Anti-Corruption (UK and Europe) 2561 Thomson Reuters Compliance Learning (Online Learning) - General Data Safety Protection (UK and Europe) 2561 Thomson Reuters Compliance (Online Learning) - Disruptive Technologies
7. Mr. Thanut Thatayanon	- Advanced master of Management (AMM), NIDA - Disruptive Technologies
8. Mrs. Darunee Rakpongpi boon	- IR Fundamental Course 2018, Thailand security institute (TSI) - Disruptive Technologies
9. Mr. Teeranit Isarangkul	- Disruptive Technologies
10. Mr. Jirod Panacharas	- Disruptive Technologies
11. Mr. Chalernsak Karnchanawarin *	- Orientation Course for New Director - Disruptive Technologies

Remark : * Mr. Chalernsak Karnchanawarin was appointed as director on 26 April 2018

Remuneration of Directors and Executives

1. Director's remuneration

Monetary remuneration

The Annual General Meeting of shareholders 2018 has resolved to approve the determination of remuneration of directors for the year 2018 as follows:

- O Director's remuneration
 - Monthly remuneration, payment on monthly basis
 - Chairman 25,000 Baht per month
 - Director 20,000 Baht per month
 - Meeting allowance, payment on attendance basis as follows :
 - Chairman 20,000 Baht per meeting
 - Director 10,000 Baht per meeting
- O Audit Committee's remuneration, payment on attendance basis as follows:
 - Chairman of Audit Committee 15,000 Baht per meeting
 - Member of Audit Committee 10,000 Baht per meeting
- O Nomination and Remuneration Committee's remuneration, payment on attendance basis as follows:
 - Chairman of the Nomination and Remuneration Committee 15,000 Baht per meeting
 - Member of Nomination and Remuneration Committee 10,000 Baht per meeting

O Good Corporate Governance Committee, payment on attendance basis as follows:

- Chairman of the Good Corporate Governance Committee 15,000 Bath per meeting
- Member of the Good Corporate Governance Committee 10,000 Bath per meeting

In any event, the monthly remuneration, meeting allowance, and additional remuneration in aggregate shall not exceed Baht 4,500,000. The additional remuneration shall be considered and approved by the Nomination and Remuneration Committee. Any director, who is not an Independent Director, shall not be entitled to receive meeting allowance for the Board of Directors' meetings and sub-committee meetings.

In year 2018, the payment of directors' remuneration can be summarized as follows:

Name of Directors	Year 2018 Remuneration (Baht)
1. Mr. Krirkrai Jirapaet	1,124,408
2. Mr. Woodtipong Moleechad	888,863
3. Mr. Vipoota Trakulhoon	791,090
4. Mr. Apichart Chirabandhu	781,090
5. Mr. Tipp Dalal ^{/1}	-
6. Mr. Viraj Nobnomtham ^{/1}	-
7. Mr. Thanut Thatayanon ^{/1}	-
8. Mrs. Darunee Rakpongpi boon ^{/1}	-
9. Mr. Teeranit Isarangkul ^{/1}	-
10. Mr. Jirod Panacharas ^{/1}	-
11. Mr. Chalernsak Karnchanawarin ^{/1}	-
Total	3,585,450

Remark: ^{/1} The director who is not the independent director shall not be received meeting allowance of meeting of Board of Directors and Sub-committee.

Non-monetary remuneration

- None -

2. Executive's remuneration

The remuneration of executives who hold the directorship (exclusive of monthly remuneration and meeting allowance as the director) and executives who do not hold the directorship for the accounting periods ended 31 December 2016, 31 December 2017 and 31 December 2018 are as follow:

	2016	2017	2018
Number (Person)	11	7*	7
Total Remuneration (Million Baht)	61.82	68.53	54.95

Remark : * Mr. Sumate Thitiphuree resigned from the member of management committee on 5 September 2017.
Mr. Siripat Ghamvongpairat Mr. Suchart Tanasoontrarat and Mr. Parooj Pinaikul resigned from the member of management committee on 2 October 2017.

Remuneration of the Chief Executive Officer, in the forms of salary and bonus, is determined by the Nomination and Remuneration Committee by considering actual performance of the Chief Executive Officer against short-term and long-term mission and strategies of the Company. In determining the remuneration, the Nomination and Remuneration Committee also considers Chief Executive Officer and Managing Director compensation of other logistic companies or other listed companies with comparable operating performance to the Company.

Employees

The number of employees of the Company (exclusive of the executives) dividing into each company as of 31 December 2016, 31 December 2017 and 31 December 2018 are as follows:

Business Line	Number of Employees (Person)		
	31 December 2016	31 December 2017	31 December 2018
Air Freight Business	525	567	667
Sea Freight and Inland Transport Business	21	33	38
Logistics Management Service Business	110	131	85
Chemical and Dangerous Goods Logistics Service Business	196	221	209
Total	852	951	999

Remuneration of Employees (exclusive of the executives)

In the year 2016, 2017, and 2018, the Company paid employee compensation (excluding executive compensation) in the amount of Baht 177.75 million, Baht 227.64 million, and Baht 279.60 million respectively. The employee compensation was in the forms of salary, bonus, overtime payment, employer's contribution to provident fund and other welfares. In addition to the employee compensation, the Company understands the values of its employees and offered the employee stock option program (ESOP) and warrant to attract and motivate employees to work for the Company in the long-run. In 2017, the Company as part of ESOP offered 4,500,000 ordinary shares and 10,500,000 warrants to its employees. The program offers 4 periods for exercising ESOP warrants: upon the end of 1 year and 6 months from the issuance of ESOP warrants on 1 September 2017 and, subsequently, every 6 months ending 1 September 2020.

Significant Labor Dispute in the past three years

– None –

Human Resources Policy

The Company values the development of human resources. It organizes trainings on specific knowledge in logistics business for employees such as Professional Skill for Dangerous Goods Instructor, Aviation Security Awareness, Maritime Transport of Dangerous Goods, and Dangerous Goods Regulations Course etc. The Company also ensures that its employees are knowledgeable in the area required for their performance of duties and responsibilities.

In 2018, the average hours of training per year per employee was 7.52 hours. The Company incurred human resources development expenses in the amount of Bath 2.33 million. The average hours of training per year per employee in 2017 was 6.67 hours and human resources development expenses in 2017 was Bath 1.95 million.

Report of the Corporate Governance Committee

Triple i Logistics Public Company Limited had its policy on business operation in accordance with the good corporate governance principle and business ethics which the Board of Directors, managements and all employees recognize the importance of and comply with it strictly. In order for the implementation of the above policy is continuously developed, the Board of Directors has appointed the Corporate Governance Committee consists of 4 persons as follows:

- | | |
|-----------------------------|--|
| 1. Mr. Apichart Chirabandhu | the Chairman of the Corporate Governance Committee and Independent Director; |
| 2. Mr. Teeranit Isarangkul | the member of the Corporate Governance Committee; |
| 3. Mr. Thanut Thatayanon | the member of the Corporate Governance Committee; and |
| 4. Mr. Jirod Panacharas | the member of the Corporate Governance Committee. |

to supervisor, monitor and support the Company's operation in accordance with the policy and guideline on the good corporate governance principle and business ethics.

In 2018, the Corporate Governance Committee held 2 meetings in total of which all members of the Corporate Governance Committee attended every meeting and also performed its duties according to the Charter of the Corporate Governance Committee with the essence of performing the following duties:

- To consider the right of shareholders on proposing agendas and nominating persons to be the Company's director for the 2019 Annual General Meeting of shareholders in advance in order to comply with the good corporate governance principle in connection with the shareholders' rights protection and equitable treatment of shareholders.
- To evaluate the result from Corporate Governance Report of Thai Listed Companies (CGR) organized by the Thai Institute of Directors (IOD) and to provide recommendations for improvement and development of policies and procedures to be consistent with the rules and suggestions of such CGR.
- To consider and approve the preparation of performance assessment form and to supervise the annual performance's assessment of the Board of Directors, the sub-committees and the Chief Executive Officer in order for each committee to use such assessment to review its performance of the previous year of which there have 4 assessment forms as follows:
 1. Assessment form for the Board of Directors;
 2. Assessment form for each of sub-committee as follows:
 - 2.1 Audit Committee;
 - 2.2 Management Committee;
 - 2.3 Corporate Governance Committee;
 - 2.4 Nomination and Remuneration Committee; and
 - 2.5 Risk Management Committee.
 3. Assessment form for each director; and
 4. Assessment form of Chief Executive Officer.

The Board of Directors has completed the assessment and the Company Secretary has collected and evaluated the result which the results of assessments of all committees including the result of assessment of Chief Executive Officer for the year 2018 were "Excellent". The Corporate Governance Committee has been informed the results of all assessments for reporting to the Board of Directors and the Chairman of each committee for their acknowledgment in order to improve the performance of directors to be more efficient.

- To consider and review the Charter of Corporate Governance Committee for the year 2018 of which the Corporate Governance Committee has considered that the Charter is suitable and able to use for the performance. Therefore, it shall remain valid and effective.
- To consider and approve the guideline on the reporting of performance in accordance with the good corporate governance principle in the Company's annual report.

In respect of the performance according to the duties and responsibilities pursuant to the Charter of Corporate Governance Committee, the Corporate Governance Committee has performed its duties with prudent and for the best interest of the Company, shareholders and stakeholders and has believed that the conducting business with transparent and integrity is the importance thing which will support the Company's business for efficiency and sustainable growth.

Mr. Apichart Chirabandhu
The Chairman of the Corporate Governance Committee

Good Corporate Governance

Good Corporate Governance Policy

The Company's Board of Directors values the importance of good corporate governance principle and recognizes the role and responsibilities of the Board of Directors and the executives to enhance good corporate governance. To increase the competitiveness of the business and to give confidence to shareholders, institutional shareholders, investors and all relevant parties, it will manage and operate its business with efficient and transparent. It also establishes policies to support corporate governance which includes significant principles prescribed in the good corporate governance principle in the following sections:

Section 1: Right of Shareholders

The shareholders and institutional shareholders have the right as the Company's owner to attend shareholders' meeting to determine the direction of the Company's business through the Board of Directors nominated by the shareholders to perform duties or make importance decisions about the Company. The shareholders' meeting is the importance platform for shareholders to provide suggestions, comments and resolutions whether to proceed or not. Therefore, the shareholders shall have the right to attend meeting, to have enough time for consideration and to know the resolution. The basis rights of shareholders include:

- 1.1 The Company shall not take any actions that will limit the right to access to the Company's information such as the shareholders shall receive enough information, procedure and agendas of shareholders' meeting together with supporting documents for consideration. The shareholders shall have enough time for consideration not less than seven (7) days prior to the date of meeting and the Company shall provide shareholders various channels for further inquiries on the shareholders' meeting.
- 1.2 The Board of Directors shall facilitate the shareholders in the shareholders' meeting. The venue of meeting shall be sufficient to accommodate the number of shareholders, located in Bangkok or nearby provinces which is convenient for traveling, have facilities for disabled persons and have securities and plan for emergency.
- 1.3 The Company shall not take any actions that will limit the right to attend the meeting of shareholders. The shareholders shall have the right to attend the meeting any all times during the meeting and shall have the right to provide comments, recommendations according to the agendas of the meeting including the voting in the meeting.
- 1.4 The Chairman shall allocate time appropriately and shall support the shareholders to have opportunity to provide suggestions and make inquiries in the meeting on matters relating to the Company including to provide opportunity to shareholders to provide their inquiries prior to the date of meeting by determining the rules on making inquiries in advance. the rules on making inquiries in advance shall be circulated together with the invitation letter of the meeting and shall be disclosed on the Company's website.
- 1.5 The shareholders shall have the right to proxy any other persons to attend the meeting and to vote on their behalf. The shareholders shall have the right to receive documents and suggestion on proxy. The proxy who complies with the laws and submits the proxy form to the directors at the meeting, such proxy shall have the right to attend the meeting and to vote like the shareholder. The shareholders may provide proxy to any Independent Directors to attend the meeting and to vote on their behalf. The shareholders have the right to receive the profile and working experiences of each Independent Director for consideration.
- 1.6 The shareholders shall have the right to vote for each agenda. The voting shall use process and equipment that is transparent, convenient, fast and effective. The resolution results can be quickly presented, and shareholders shall have the right to know the voting results in a timely manner.
- 1.7 All directors including sub-committees and company secretary shall attend the shareholders' meeting every time if it does not conflict with other significant matter in order to provide responses to inquiries and receive comments of shareholders. In addition, the senior management shall attend the shareholders' meeting to provide responses to inquiries as well.
- 1.8 After the shareholders' meeting, the Company shall prepare the accuracy and completeness minutes of the meeting and subsequently, submit such minutes to the Stock Exchange of Thailand or relevant regulatory bodies within the specified period including to disclose such minutes on the Company's website.
- 1.9 The Company's directors shall report the change in shareholding in the Company's securities pursuant to the rules of the Office of the Securities and Exchange Commission.

Section 2: The Equitable Treatment of Shareholders

The Company will treat the shareholders equitably regardless of gender, age, race, nationality, religion, belief, political opinion or disability, even the shareholders cannot attend the meeting due to any inconvenience. The shareholders have the right to appoint another person to attend the meeting. The following guidelines apply:

- 2.1 The Board of Directors must maintain the rights of shareholders and treat all shareholders equitably. All shareholders are entitled to receive information or documents in Thai or English for foreign shareholders. Documents sent to foreign shareholders must be translated into English.
- 2.2 The right to vote at the meeting is based on the number of shares held by one shareholder. One (1) share equals to one (1) vote.
- 2.3 The Board of Directors must encourage the minority shareholders to exercise their rights to propose additional agendas or to nominate a person(s) to be a director. The request for additional agenda or director nomination shall be in accordance with the laws and the regulations of the Company. The office of the President and Company's Secretary must be ready to accept proposals, provide assistance and advice.

Section 3: Role of Shareholders

The business operations of the Company and its subsidiaries will involve various parties such as shareholders, directors, executives, employees, creditors, customers, competitors, the community, country and the world. The Company recognizes the importance of caring for and taking into account all stakeholders. It also provides channels for stakeholders to communicate, suggest, or provide information through the internal audit or the Audit Committee. In addition to the business of the Company, the Company also takes into account the rights of all stakeholders under the following guidelines:

- 3.1 The Company and its subsidiaries divide the stakeholders into groups namely, creditors, customers, partners, companies in which the Company or its subsidiaries hold shares, personnel of the Company and its subsidiaries. The Company must provide sufficient channels for the communication with each stakeholder.
- 3.2 The Company and its subsidiaries operate in a competitive environment within their code of conduct and the scope of law. It also supports and promotes free and fair competition policies and will not violate the confidentiality or trade secrets of competitors by fraudulent means.
- 3.3 The Company and its subsidiaries have commitments to consumers to develop and continuously improve products and services, and to set prices/services to appropriately suit the situation without taking advantage of a consumer under the consumer protection laws and the antitrust laws in dealing with the Company and its subsidiaries. The Company and its subsidiaries must operate fairly and do not take advantage of their partners.
- 3.4 The Company and its subsidiaries will comply with terms, conditions or contract with creditors strictly if it cannot comply with, it will inform and negotiate with the counterparty without delay for amendment and remedy of damage fairly.
- 3.5 The Company and its subsidiaries must take into account the welfare of the employees and do not take advantage of them when entering into an employment contract. They also: set appropriate compensation based on performance to motivate the employees of the Company and its subsidiaries to have incentives to work; train and provide additional education to increase the potential of its employees to have a good working environment; and set safety standards, working discipline and a good compensation plan if there is a circumstance that causes an employee to cease his/her work for any reason.
- 3.6 The Company must have a department handling a social responsibility matter to provide aids, support and benefit the community and society as a whole. The Company has a plan to protect the environment and security, especially the potential environmental impacts by the Company's business. The Company also has a good compensation plan in case of an accident, and have set a sustainable remedy plan.
- 3.7 The Board of Directors shall conduct public relations to convey awareness and continuous and consistent attention to stakeholders.

Section 4: Disclosure and Transparency

The Company must disclose important information accurately, completely and without distortion for stakeholders to make decisions. Disclosure is a measure of operational transparency, which is a key factor in ensuring investor confidence in honesty. It is a mechanism to monitor business operations. Therefore, the Company highly values disclosure and attempts to add channels to provide information at all times.

- 4.1 The Board of Directors is responsible for disclosing information, both financial and non-financial information, adequately, reliably and timely, to the shareholders and stakeholders of the Company so that they obtain equivalent information as prescribed by law and relevant government agencies, and the Company's regulations. The Company should regularly and promptly prepare and update complete information on the website.
- 4.2 A corporate communication unit is organized to publicize information, operations and performance of the Company and its subsidiaries beneficial to investors, employees, stakeholders and the public, effectively and consistently to eliminate misunderstandings. An investor relations department must be organized to coordinate with institutional investors, creditors, securities analysts and the shareholders of the Company to provide information on the business operation and investment of the Company and its subsidiaries with convenient, fast and easy-to-access contact points.
- 4.3 The Board of Directors will maintain an effective internal control system to ensure that the accounting records are accurate, complete, and adequate to maintain the assets and to acknowledge weaknesses to prevent significant abnormal circumstances, and to appoint the Audit Committee. This includes non-executive directors to review financial statements, intercompany transactions and internal control systems. The Audit Committee will report directly to the Board of Directors.
- 4.4 In the annual report, the Board of Directors must prepare an assessment report and trends of the Company and its subsidiaries. The report and trends must be prepared in summary and easy to understand which describes the Board of Directors' responsibilities in preparing financial reports, shown along with the auditor's report, management reports required for various types of analysis. Apart from financial reports and audit reports, report of attendance of the Board of Directors and/or specific committees must be compared with the number of the board meetings and/or specific committees each year.
- 4.5 The Board of Directors must prepare a balance sheet, profit and loss statement, and audit reports of auditors, including the annual report of the Board of Directors and propose them to the Annual General Meeting of shareholders for approval.
- 4.6 Remuneration policy for directors and top executives must be disclosed to reflect each of their obligations and responsibilities, including the form and nature of compensation.
- 4.7 Auditors' fees and other services provided by the auditor must be disclosed.

Section 5: Board Responsibility

The Board of Directors has been appointed by the shareholders to oversee the Company operation of which it consists of knowledgeable people, have expertise, possess experience that can benefit the Company, be dedicated and give full time to perform the duties according to their responsibilities. The directors can hold director position in companies listed on the Stock Exchange of Thailand not more than 5 companies without exemption. In addition, the Independent Director position shall have its term not more than 9 years without exemption. The Board of Directors' responsibilities include the appointment of managements to be responsible for business operation, the appointment of sub-committee for specific assignment, the appointment of Company's auditor and the appointment of Company Secretary to be responsible for meeting proceedings and compliance.

O Composition of the Board of Directors

The Board of Directors is composed of the directors according to the number determined by the shareholders' meeting but not less than 5 persons. In addition, the number of directors not less than 3 or one-third of the total number of directors. (whichever is higher) must be an independent director. At present, the Company has 11 directors, consisting of 7 executives, 4 non-executive directors, more than one third of the total number of directors. This will create an appropriate balance in the consideration and voting on matters. A third of the Board members will be removed from office at any Annual General Meeting of shareholders however, such director who retired by rotation can be reappointed and to be in line with good corporate governance principles, the appointment of Independent Director should not exceed 9 consecutive years without exemption.

O Independency of Board of Directors

The director shall analyze, make comment and vote in the matters that the Board of Directors has its authority to make decision if the decision of the Board of Directors is under the pressure of duties or family or interest on such matter, it will distort decisions to make decisions for themselves, close-friends or for their own benefit. To protect the shareholder and Company benefit, the director who does not have independency, shall not make decision.

- For the Board of Directors under the leadership of the Chairman to have leadership and can control the operations of the management efficiently and effectively, the Company shall segregate roles and responsibilities between the Company's Chairman and Chief Executive Officer where the roles and responsibilities of the Chairman are as follows:
 - To supervise, monitor and ensure that the performance of the Board of Directors is efficient and meets the objectives and main goals of the organization.
 - To ensure that all directors have participation in promoting of organization culture with ethics and good corporate governance principle.
 - To determine agendas of Board of Directors' meeting by seeking consultation with the Chairman.
 - To allocate enough time for the managements to propose matters and directors to discuss on significant matter prudently. To support the directors to use prudent decision and provide opinion freely.
 - To promote good relationship between executive directors and non-executive directors, managements and the Board of Directors.
- The Independent Director shall have the right to access the financial and business information which are enough to provide opinion freely. The Independent Director shall protect the interest of relevant parties and attend the meeting continually as well as attend the meeting of all Independent Directors at least once a year and report their independency upon appointment and on annual basis for disclosing on the Company's annual report.
- The Independent Director shall have its independency pursuant to the notification of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand on qualification and scope of responsibilities of the independent director in order to protect the best interest of shareholders equally and to take care not to cause conflicts of interest between the Company, executives or major shareholders or other companies which have the same management or major shareholders. In addition, they must be able to provide opinions in the meeting independently.

O Roles and Responsibilities of the Board of Directors

The Board of Directors has the role and responsibility to oversee the operation of the Company, to comply with the law, objectives, regulations and resolutions of the shareholders' meeting, good corporate governance principles, good practices for directors of listed companies of the Stock Exchange of Thailand, to benefit the Company and shareholders by appointment of Chief Executive Officer, board committees, the Company's Secretary, and determination of remuneration for directors of sub-committees (no more than the total amount approved by the shareholders).

- To consider and approve the operation of Company and its subsidiaries to in line with the Articles of Association of each company which include the following matters:
 - Vision, Mission, Policy and Strategic Plan
 - Annual Business Plan, Annual Budget Plan, Quarter Financial Statements and Annual Financial Statements
 - Interim dividend payment
 - Change of organization chart in the group level and other significant changes in the organization
 - Acquisition, incorporation, disposal or suspension of significant assets or business of the Company
 - Change of authorization from the Board of Directors to any persons
- To give the authority to the sub-committees from time to time.
- To comply with duties and responsibilities of the Board of Directors as specified in the laws, Memorandum of Association, Articles of Association and shareholders' resolution which include the followings:
 - To determine vision, mission, policy, strategy and financial goal for the Company and its subsidiaries including to consider and approve the policies and direction as proposed by the management team and to supervise the management team to comply with such vision mission, policy, strategy and financial goal of which the target is to add economic values to shareholders by considering all stakeholders
 - To review the Charter of Board of Directors at least once a year
 - To determine framework and process of the Company and its subsidiaries to ensure that the operation will proceed in accordance with the rules, regulations and resolutions of the Board of Directors including resolutions of shareholders' meeting with honesty and careful
 - To determine framework and process of the Company and its subsidiaries to have appropriate risk management system, supervision and audit and internal control
 - To follow up and evaluate the performance in management of the Company and its subsidiaries to achieve the strategic plan under the budget approved by the Board of Directors
 - To monitor the preparation of accounting and collection of accounting record and relevant documents including the disclosing of appropriate information to the shareholders and public
 - To review and take action to ensure that the Company and its subsidiaries comply with the ethics as determined by the Board of Directors including to determine the Company and its subsidiaries policies in good corporate governance and corporate social responsibility
 - To appoint persons to be director or executive of subsidiary in the number of at least according to the shareholding in such subsidiary and to determine scope of duties and responsibilities of directors and executives clearly including to determine the limitation of power on voting in the board of directors of subsidiary in significant matter which will be approved by the Board of Directors in advance
 - To control the management to in line with the Company's policies and to have the power to approve the connected transactions and other transactions to be legitimate including the disclosing of financial status, operating result and acquisition and disposal of assets with accuracy and completeness

The Authorization of powers, duties and responsibilities of the Board of Directors shall not be the authorization or sub-authorization that the Board of Directors or its authorized person can approve transaction with connected persons (pursuant to the definition under the notification of the Securities and Exchange Commission and notification of Capital Market Supervisory Board) or persons that may have conflict of interest or may receive any benefits or may have other conflict of interest with the Company or subsidiary saved for the approval of transaction in accordance with the policy and rule that approved by the shareholders' meeting and Board of Directors.



Director Nomination Process

The Nomination and Remuneration Committee has a duty to select and nominate persons as the Company's directors. The selection and nomination process are as follows:

- 1) Determination of required qualifications, knowledge, and skills. The committee shall consider diversity in the Board of Directors' composition and compare with the Board Skill Matrix in order to select and nominate persons with diversified knowledge, capabilities and experience which are in line with the Company's business strategies.
- 2) Selection of directors by nominating candidates to the Board of Directors for consideration. Existing directors may be considered for re-appointment, or shareholders are provided with the opportunity to propose suitable candidates, or using of recruitment company or conducting search on pool of directors, or requesting each director to nominate suitable persons etc.
- 3) Consideration of short-listed candidates and selection of candidates with required qualifications.
- 4) Review if short-listed candidates possess qualifications according to laws and regulations of the relevant authorities.
- 5) Invitation of suitable candidates with required qualifications to ensure that such candidates are willing to accept the position as the Company's directors if appointed by the shareholders.
- 6) Nomination to the Board of Directors for consideration and inclusion under the invitation to the shareholders' meeting for shareholders' approval.

Director's Remuneration

The Company has appointed the Nomination and Remuneration Committee to consider the method and criteria for payment of remuneration for directors which will consider the operating result, business size by comparing with the director's remuneration of the companies listed on the Stock Exchange of Thailand in the similar section and business size to propose to the shareholders' meeting for consideration, the details of guideline are as follows:

- The shareholders have the right to consider the rules and policy on the determination of director's remuneration on annual basis. The Board of Directors with the recommendation of the Nomination and Remuneration Committee shall propose the director's remuneration to shareholders for consideration by specifying it as the agenda of the Annual General Meeting of shareholders
- The Board of Directors and senior managements shall report the policy on director's remuneration, reason and rational in the Company's annual report

Board of Directors' meeting

The Company has determined the procedure of the Board of Directors's meeting as follows:

- The Board of Directors shall determine the meeting schedule in advance. It shall have the meeting at least 6 times per year and shall convene the meeting at least 1 time in every 3 months and it may call extraordinary meeting as it deems necessary and appropriate
- The Board of Directors shall dedicate time and provide dedication and attention to the Company's operations and shall be ready to attend the meeting. The directors must meet at least half of the total number of directors to constitute a quorum. If the directors are unable to attend the meeting, such director shall notify the Chairman of the Board of Directors in writing
- The Chairman of the Board of Directors, by joint considering with the Chief Executive Officer, shall approve the agendas of the meeting and the Company Secretary shall ensure that the invitation letter and supporting documents shall be circulated to directors at least 7 days in advance saved for urgent matters
- The Chairman of the Board of Directors shall ensure that the Board of Directors allocate enough time for the executives to present the information and for the Board of Directors to consider and discuss on significant matters
- A director who may have conflict of interest in any agenda, such director shall abstain from voting, refrain from providing comments or leave the meeting room
- The minutes of the Board of Directors shall be clear in both the meeting resolution and the opinion of the Board of Directors for reference.

Sub-Committees

To scrutinize important operations carefully and efficiently, the Board of Directors has set up specific committees as follows:

Audit Committee

The Audit Committee of the Company consists of three independent directors with the qualifications as specified by the Office of the Securities and Exchange Commission as follows:

Name – Surname	Position
1. Mr. Woodtipong Moleechad	Chairman of the Audit Committee / Independent Director
2. Mr. Apichart Chirabandhu	Audit Committee / Independent Director
3. Mr. Vipoota Trakulhoon*	Audit Committee / Independent Director

Remark : * The member of the Audit Committee who has knowledge and experience in reviewing the reliability of financial statements.

Scope of Authority and Responsibilities of the Audit Committee

- 1) To select, appoint and remove an independent person to serve as the auditor and to consider the remuneration of the auditor of the Company and propose the remuneration to the Board of Directors;
- 2) To approve the appointment, remove, transfer, dismissal and evaluation of performance of the internal audit department;
- 3) In the performance of duties, the Audit Committee shall have the power to invite the management, executives or employees of related companies to provide opinions, attend a meeting or send a document that is relevant or necessary;
- 4) To be able to hire consultants or third parties in accordance with the Company's regulations to provide opinions or advice in case of necessity;
- 5) To review financial reports to ensure that they are accurate and reliable and to adequately disclose information by coordinating with external auditors and executives responsible for preparing quarterly and annual financial reports;
- 6) To review the Company's internal control system and internal audit system to ensure that they are suitable and effective; to consider the independence of the internal audit unit; and may also suggest reviewing or verifying any items as it deems necessary and important; to recommend the improvement of the internal control system; and to review the Company's internal control system and internal audit system with an external auditor and internal audit department manager;
- 7) To review the compliance with the Securities and Exchange Act or the Stock Exchange of Thailand's requirements, policies, regulations and other laws related to the business of the Company;
- 8) To attend meetings with the auditor without the executives at least once a year;
- 9) To review the internal audit plans of the Company under generally accepted measures and standards;
- 10) To consider connected transactions or transactions that may lead to a conflict of interest to comply with the law, the Stock Exchange of Thailand's regulations, and the disclosure of the Company's information in such matter shall be accurate and complete to ensure that the transaction is reasonable and beneficial to the Company;
- 11) To review and ensure that the Company has appropriate and effective risk management systems;
- 12) To report the Audit Committee's performance to the Board of Directors at least 4 times a year;
- 13) To prepare a report of the Audit Committee to be disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - opinions on the accuracy, completeness and creditability of the Company's financial report;
 - opinions on the adequacy of the Company's internal control system;
 - opinions on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's requirements and the laws relating to the Company's business;
 - comments on the suitability of the auditor;
 - comments on connected transactions or transactions that may lead to a conflict of interest;
 - the number of the Audit Committee's meetings and the attendance of each member of the Audit Committee;
 - comments or observations received by the Audit Committee on its performance of duties under the Charter;
 - other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Company's Board of Directors.

- 14) To provide opinions on the appointment, removal and evaluation of the work performance of the internal audit unit;
- 15) The Audit Committee shall evaluate its performance by self-assessment method and report the results of the evaluation, together with problems and obstacles in performing work that may cause the performance to fail to achieve the purpose of establishing the Audit Committee, to the Board of Directors every year;
- 16) To review and improve the Charter of the Audit Committee at least once a year for the approval of the Board of Directors;
- 17) To perform other tasks as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee

Corporate Governance Committee

The Company has 4 members of the Corporate Governance Committee as follows:

Name – Surname	Position
1. Mr. Apichart Chirabandhu	Chairman of the Corporate Governance Committee / Independent Director
2. Mr. Teeranit Isarangkul	Member of the Corporate Governance Committee
3. Mr. Thanut Thatayanon	Member of the Corporate Governance Committee
4. Mr. Jirod Panacharas	Member of the Corporate Governance Committee

Scope of Authority and Responsibilities of the Corporate Governance Committee

- 1) To set policies and guidelines for good corporate governance, follow up to ensure that there is an implementation on good corporate governance, and review and update the policies regularly;
- 2) To supervise the compliance with the good corporate government policies of the Company and the employees to ensure that it is in accordance with the guidelines set by the Board of Directors;
- 3) To provide an annual performance evaluation on the Board of Directors, each director, and the committees.
- 4) To consider and formulate policies and guidelines on corporate governance and regularly keep track of compliance with the policies.
- 5) To supervise the compliance with the good corporate governance policies of the Company and its employees in accordance with the guidelines set by the Board of Directors.

Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee consists of 3 members as follows:

Name – Surname	Position
1. Mr. Vipoota Trakulhoon	Chairman of the Nomination and Remuneration Committee / Independent Director
2. Mr. Apichart Chirabandhu	Member of the Nomination and Remuneration Committee / Independent Director
3. Mr. Viraj Nobnomtham	Member of the Nomination and Remuneration Committee

Scope of Authority and Responsibilities of the Nomination and Remuneration Committee

- 1) To consider the structure, composition and qualifications of the Board of Directors and sub-committees;
- 2) To determine how to recruit the appropriate person to be the director to suit the nature and business of the organization by determining qualifications and expertise in each subject as required;
- 3) To recruit directors when it is the time to nominate candidates to be a director and propose their names to the Board of Directors for consideration. The recruitment may be considered from the existing directors and appoint them to hold the position or by engaging a third-party company to assist on the recruitment, considering from the list of individuals of professional director directory or allowing each director to nominate an appropriate person;

- 4) To consider the list of nominated candidates and select qualified candidates who meet the qualifications as required;
- 5) To verify whether the nominated person is qualified under the law and regulations prescribed by relevant authorities;
- 6) To contact person(s) who has qualifications consistent with the specified criteria and qualifications to ensure that such person(s) is willing to act as a director of the Company if he/she is appointed by the shareholders;
- 7) To propose the names of candidates to the Board of Directors to consider and include the names in the notice of the shareholders' meeting for their consideration and appointment;
- 8) To consider and recruit a chief executive officer as instructed by the Board of Directors;
- 9) To consider if the criteria for remuneration payments paid to directors and the Chief Executive Officer is appropriate and review if the currently effective criteria is appropriate and compare them with the remuneration information of other companies in the same industry, and to determine appropriate criteria to achieve the expected results, to be fair, to be a reward for a person who helps the Company achieve its work;
- 10) To review all forms of compensation such as fixed compensation, compensation based on performance, and meeting allowances by taking into account the same industry practices, the Company's performance and size of business, responsibilities, knowledge, ability, and experience of directors, and the Chief Executive Officer as required by the Company;
- 11) To consider the criteria for Chief Executive Officer's evaluation as instructed by the Board of Directors;
- 12) To determine annual remuneration of directors and the Chief Executive Officer according to the payment criteria already considered and propose it to the Board of Directors for approval; and for the directors' remuneration, the Board of Directors shall propose to the shareholders' meeting for approval;
- 13) To consider the suitability and approval in case of offering newly issued shares to the directors and employees based on the principle of fairness to shareholders, and to motivate the directors and employees to create additional value for the shareholders on a long-term basis and to be able to retain qualified employees;
- 14) To review the Charter of the Nomination and Remuneration Committee at least once a year for the approval of the Board of Directors;
- 15) The Nomination and Remuneration Committee has the power to request for an independent opinion of any professional consultant when necessary at the expenses of the Company; and the engagement must be in accordance with the Company's regulations;
- 16) To perform any other actions as instructed by the Board of Directors in relation to the nomination and determination of remuneration of directors and executives;

Management Committee

The Company has 7 members of the Management Committee as follows:

Name – Surname	Position
1. Mr. Tipp Dalal	Chairman of the Management Committee / Chief Executive Officer
2. Mr. Viraj Nobnomtham	Member of the Management Committee / Chief Financial Officer
3. Mr. Teeranit Isarangkul	Member of the Management Committee
4. Mr. Thanut Thatayanon	Member of the Management Committee
5. Mrs. Darunee Rakpongpi boon	Member of the Management Committee
6. Mr. Jirod Panacharas	Member of the Management Committee
7. Mr. Chalernsak Karnchannawarin	Member of the Management Committee

Scope of Authority and Responsibilities of the Management Committee

- 1) To consider and set goals of the Company and its subsidiaries and to advise on strategic directions, management structure, annual operation plans, budgets of the Company and its subsidiaries;
- 2) To manage the business operations of the Company and its subsidiaries in accordance with the visions, missions, strategies, policies, objectives and targets that have been set out;
- 3) To review the performance of the Company and its subsidiaries and report to the Board of Directors;
- 4) To review and provide recommendations on the dividend policy of the Company and its subsidiaries to the Board of Directors;
- 5) To verify and approve transactions related to investment or sales of assets of the Company and its subsidiaries, human resource management, finance, general administration and transactions related to the business of the Company under the scope of authority approved by the Board of Directors;
- 6) To consider and monitor risk management and risk management system of the Company and its subsidiaries by appointing the Risk Management Committee to act in accordance with the Charter of the Risk Management Committee; and the Management Committee must report to the Board of Directors if there is a risk that affects the Company to be unable to achieve the target;
- 7) The Management Committee may authorize an executive or employee to perform specific duties as it deems appropriate. The Management Committee or the person authorized by the Management Committee shall in no way act or approve any transaction if the Management Committee or a person may have a conflict against the Management Committee, have a conflict of interest, benefit by any means, or have a conflict of interest against the Company and its subsidiaries (as defined in the Notification of the Capital Market Supervisory Board or the Notification of the Securities and Exchange Commission). The approval of the transaction must be in accordance with the policies and principles as determined by the Board of Directors and relevant laws;
- 8) To engage a consultant or independent person to provide comments or recommendations as required;
- 9) To ensure that the executives and employees attend the Management Committee's meetings or provide information related to the subject matter discussed at the meetings;
- 10) To report the Board of Directors on matters regularly handled by the Management Committee under the scope of authority and duties of the Management Committee, including any other matters that are necessary and appropriate to be proposed to the Board of Directors;
- 11) To study feasibility of investment in a new project and to have the power to consider and approve the investment or joint investment by the Company and the power to consider and approve capital expenditures such as entering into contracts under the scope of authority approved by the Board of Directors;
- 12) To consider and approve an entry into a transaction with financial institutions such as opening a bank account and applying for a loan;
- 13) To examine and evaluate the adequacy of this charter by comparing the performance of the Management Committee with the compliance with the charter. The Management Committee will take into account the results from the evaluation to improve their performance;
- 14) To perform any other tasks as instructed by the Board of Directors.

Risk Management Committee

The Company's Risk Management Committee consists of 5 members as follows:

Name – Surname	Position
1. Mr. Viraj Nobnomtham	Chairman of the Risk Management Committee
2. Mr. Teeranit Isarangkul	Member of the Risk Management Committee
3. Mr. Thanut Thatayanon	Member of the Risk Management Committee
4. Mr. Chalernsak Karnchanawarin	Member of the Risk Management Committee
5. Mr. Suchart Tanasoontrarat	Member of the Risk Management Committee

Scope of Authority and Responsibilities of the Risk Management Committee

- 1) To prepare a risk management policy to be proposed to the Management Committee for consideration. The risk management policy must include overall risk management and key risks such as market risk, liquidity risk, operational risk and the risk that affects the reputation of the business;
- 2) To plan strategies in accordance with the risk management policy and to be able to evaluate, follow-up and maintain the organization's level of risk at an appropriate level;
- 3) To review the adequacy of risk management policies and systems, including the effectiveness of the system and compliance with the policies;
- 4) To provide the Management Committee with suggestions on what requires to be done and to be improved according to the policies and strategies set by the Management Committee;
- 5) To review the charter of the Risk Management Committee at least once a year for the approval of the Management Committee.

Chief Executive Officer

Scope of Authority and Responsibilities of the Chief Executive Officer

- 1) To be responsible for, supervise, manage, perform, and/or administrate daily tasks of the Company, including to supervise the overall performance to ensure that it is in accordance with the business policies and strategies, targets, and implementation plans, financial plans, and budgets of the Company as approved by the Board of Directors and/or the resolution of a shareholders' meeting;
- 2) To prepare a business plan and determine the management power and prepare a budget for the business operation and annual budget for expenses to propose to the Board of Directors to approve; and to report progress in accordance with the approved plan and budget to the Board of Directors;
- 3) To set an organization structure, management approaches, including recruitment, trainings, employment and termination, salary, remuneration, salary, bonus, and welfare for all employees and subordinates whose positions are lower than the Chief Executive Officer, and to delegate authority and duties to the said employees and subordinates as the Chief Executive Officer deems appropriate;
- 4) To monitor and report the Company's status and to propose alternatives and strategies consistent with the policy and market conditions;
- 5) To supervise and control the Company's operations on various matters such as finance, risk management, internal control, operation, supporting work and resource work;
- 6) To represent the Company and to have the power to contact government agencies and other regulatory agencies;
- 7) To communicate with the public, shareholders, customers and employees to enhance the reputation and good image of the Company.
- 8) To ensure there is good corporate governance;
- 9) To have the power to issue, amend, change, and improve rules, orders and regulations related to the Company's business such as recruitment, appointment, dismissal, and discipline of staffs and employees;
- 10) To consider, negotiate, enter into a contract and/or perform any action related to the daily implementation and/or administration of the company within the transaction value approved by the Board of Directors according to the Company's approval authority table
- 11) To have the power duties and responsibilities as instructed or prescribed under the policies instructed by the Board of Directors.
- 12) To be responsible, oversee, manage, operate and supervise the overall policies of the subsidiaries to comply with the business strategies policies, targets, implementation plans, financial goals and budgets of the subsidiaries.

However, the Chief Executive Office shall not exercise the power above if he/she has interest or a conflict of interest against the Company.



Company's Secretary

Scope of Authority and Responsibilities of the Company's Secretary

- 1) To prepare and maintain the following Company's documents:
 - Director registration
 - Notice and minutes of the Board of Directors' meeting
 - Notice and minutes of the shareholders' meeting
 - Annual report
- 2) To maintain reports on conflicts of interest reported by directors or executives;
- 3) To perform actions in relation to meetings of the Board of Directors and of shareholders;
- 4) To advise on rules and regulations that the Board of Directors and the executives should be aware of;
- 5) To organize trainings and orientation and to provide information necessary for the existing directors and the newly appointed directors to perform their duties;
- 6) To supervise and coordinate with the Company to fully and completely comply with the laws, rules, regulations and resolutions made by the Board of Directors and by the shareholders, including corporate governance policies and business ethics;
- 7) To performance any other actions as prescribed by the Capital Market Supervisory Board.

Nomination and Appointment of Directors and High-Level Executives

Composition and Nomination of the Board of Directors


Nomination and appointment of directors is conducted in accordance with the procedures set out in the Company's articles of association. The Company's Nomination and Remuneration Committee will select qualified candidates who have experience, knowledge and skills related to the Company's business, qualifications and do not have any disqualifications as prescribed by law. The candidates must be approved and appointed by the shareholders' meeting. The details of which can be summarized below.

- 1) The Board of Directors consists of at least 5 directors and not less than half of the directors shall reside in the Kingdom of Thailand and be qualified under the law.
- 2) The meeting of shareholders shall elect a director in accordance with the following criteria and procedures:
 - One shareholder shall have one vote for one share. The shareholder shall use all the votes to elect one candidate or candidates to be a director and shall not split the number of votes;
 - The shareholders shall cast their votes to elect a director individually;
 - The candidates who received the highest number of votes in descending order shall be elected as directors. The number of directors shall equal to the required number of directors or the number of director elected at that time. In the event that the candidates who have been elected in the next order receive the same number of votes in excess of the number of directors to be elected or elected at that time, the Chairman of the meeting shall have the casting vote.
 - At every annual general meeting of shareholders, one third of the total directors shall be retire from their position. If the number of directors cannot be divided by three, the directors shall retire by the number nearest to one-third of the total directors required to retire at the first year. For the second year after the Company's incorporation, directors will retire from their position by drawing lots. In subsequent years, the directors who have been in the longest term shall retire. Directors who are retired by rotation may be re-elected.

Nomination and Appointment of Independent Director

The Board of Directors and the Nomination and Remuneration Committee will jointly consider the qualifications of the candidates to be appointed as independent directors by considering the qualifications and disqualifications of a director pursuant to Public Limited Companies Act, the law concerning securities and exchange, notifications of the Capital Market Supervisory Board, and relevant notifications and/or regulations. In addition, the Nomination and Remuneration Committee shall consider and select independent directors by considering from expertise, work experience, and other appropriate factors, and shall further propose to the Board of Directors and the shareholders to consider and appoint them to be the Company's directors. The Company has a policy to appoint independent directors at least one-third of the total directors. The number of independent directors shall not be less than 3 directors and their qualifications shall accord with the Notification of the Securities and Exchange Commission No. TorJor. 28/2551 re: Application for and Approval of Offer for Sale of Newly Issued Shares dated 15 December B.E. 2551 (2008) (as amended) as follows:

- 1) holding shares not exceeding one percent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- 2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the SEC Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the applicant;
- 3) not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company;
- 4) neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office. The term 'business relationship' shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or Baht twenty million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;
- 5) neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC Office;

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- 6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding Baht two million per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC Office;
 - 7) not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
 - 8) not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company;
 - 9) not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations
 - 10) not being a director assigned by the Board of Directors to take part in the business decision of the Company, its subsidiary company, associated company, same-level subsidiary company, major shareholder, or controlling person of the Company.

Composition and Nomination of the Audit Committee

The Audit Committee shall consist of at least 3 independent directors having a 3-year term of office. The Company set its policies for the nomination of the Audit Committee/Independent Directors in accordance with the Notification of the Securities and Exchange Commission No. TorJor. 28/2551 re: Application for and Approval of Offer for Sale of Newly Issued Shares dated 15 December B.E. 2551 (2008) (as amended), having the following criteria

- 1) Being appointed by the board of directors or the shareholders' meeting (as the case may be);
- 2) not being a director assigned by the board of directors to take part in the business decision of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person;
- 3) not being a director of the subsidiary company or same-level subsidiary company which is a listed company;
- 4) Having sufficient knowledge and experience to perform duties as audit committee member, provided that at least one member of the Audit Committee shall have sufficient knowledge and experience to review the reliability of financial statements.

Composition and Nomination of the Corporate Governance Committee

The Corporate Governance Committee shall be appointed by the Board of Directors and consist of at least 3 members acting as the Company's director and at least one member must be an independent director. The Board of Directors shall appoint one member of the Corporate Governance Committee to chair the Corporate Governance Committee.

Composition and Nomination of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be appointed by the Board of Directors and consist of at least 3 members and at least one member must be an independent director. The Board of Directors shall appoint one member of the Corporate Governance Committee to chair the Nomination and Remuneration Committee.

Composition and Nomination of the Management Committee

The Management Committee shall be appointed by the Board of Directors according to the recommendations of the Chief Executive Officer. Members of the Management Committee shall be selected from directors and executives according to the number as the Board of Directors deems appropriate and sufficient for managing the Company's business. The Chief Executive Office shall chair the Management Committee.

Composition and Nomination of the Risk Management Committee

The Risk Management Committee shall consist of at least 3 members appointed by the Management Committee. The Management Committee shall appoint one member of the Risk Management Committee to chair the Risk Management Committee.

Composition and Nomination of the Chief Executive Officer

To recruit the Company's Chief Executive Officer, the Nomination and Remuneration Committee shall preliminary consider and select candidates who are qualified have knowledge, experience, expertise that can benefit the Company's business and well understand the nature of the Company's business, and are able to manage the work to achieve objectives and targets determined by the Company, propose their names to the Board of Directors to consider and appoint.

Supervision of Subsidiary and Associated Company's Business Operation

The Company has set a policy to supervise and manage the subsidiaries' business. Its objective is to determine direct and indirect measures and mechanisms to enable the Company to supervise and manage the operations of its subsidiaries and associated companies and to monitor and ensure that the subsidiaries and associated companies comply with the measures and mechanisms as if they were a department in the Company and with the Company's policies, including Public Limited Company Act, the Civil and Commercial Code, securities law, relevant laws, notifications, regulations, and other criteria of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, in order to maintain the benefits of the Company's investment in such subsidiaries and associated companies.

In the event that the policies require any transaction or action which has a significant impact on the financial status and performance of the subsidiaries to be approved by the Board of Directors of a shareholders' meeting (as the case may be), the directors shall have the duty to hold a meeting for the Company's Board of Directors and/or for the shares to consider and approve the transaction or action prior to the meeting of the subsidiaries' board of directors and/or shareholders to consider and approve before entering into the transaction or performing the act. The Company shall disclose information and fully comply with the rules, conditions, steps, and procedures related to the approval according to the provisions prescribed under Public Company Limited Act, the Civil and Commercial Code, securities law, relevant laws, notifications, regulations, and other criteria of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, mutatis mutandis (to the extent that there will be no conflict).

Audit fees

For the financial year 2016 to 2018, the Group appointed the following auditor and provided the following fees to the auditor:

Financial year	Name of the Auditor	Audit fee (Baht)	Other fees (Baht)
2016	PricewaterhouseCoopers ABAS Ltd.	5,953,400	-
2017	PricewaterhouseCoopers ABAS Ltd.	8,123,000	-
2018	PricewaterhouseCoopers ABAS Ltd.	7,245,000	-



Code of Conduct

In order to comply with the Good Corporate Governance Policy of Triple i Logistics Public Company Limited and its subsidiaries (the “Company”), the Board of Directors has determined the ethical standard of managements and employees. In respect of the shared values of Triple i Logistics Public Company Limited and its group companies and rules and procedures of Triple i Logistics Public Company Limited and its subsidiaries, the Company expects that the management and performance will have integrity, clarity, fairness, efficient and honesty, and the partner, customer and public can rely on the Company. The details include:

1. Human right and employee practice

- 1.1 To respect human right and shall not discriminate against employees on the grounds of similarity or differences of race, religion, gender, age, education and status including personal privacy and data privacy.
- 1.2 To implement system on performance assessment for reward and penalty which is based on the fairness, non-discrimination and clarity.
- 1.3 To provide the opportunity and prioritize to development of skills, knowledges and capabilities of all employees continually including to prepare the succession plan of all significant positions.
- 1.4 To consider nomination or transfer based on knowledge, capability, appropriation and performance of employees. Such evaluation shall be fairness, equitable and clarity.
- 1.5 To promote life balance in employees by supporting the creative activities and beneficial to physical, mental and quality of life of employees, family, community, society and country.
- 1.6 To implement the process or procedure for consideration of compliant for justice of employees. As process or procedure shall be clarity.

2. Community, Society, Environment, Health and Safety

- 2.1 To comply with the laws relating to quality, security, safety, health and environment (QSHE) correctly and completely including to support the implementation of management system under international standard as the tool for operation.
- 2.2 To design service process with safety.
- 2.3 To review, monitor and evaluate the performance to reduce the environmental impact of health, safety, community and environment.
- 2.4 To communicate, understand and support in providing the information to community and society, investors, shareholders and public without delay on the status and fact of operation of the Company without hiding the fact.
- 2.5 To use nature resources and energy safely and efficiently to create balance to nature and environment.
- 2.6 To participant in developing and promoting the social activity, environmental protection and quality of life development of people in community according to the sustainable development principles for living happily
- 2.7 To build moral on social and environmental responsibility in people of all level continually.
- 2.8 To promote, preserve and maintain the good customary and culture of the nation by cooperating and supporting policies and activities of public and private sectors for the benefits of community and society.

3. Receipt or give of property or other benefits which may create motivation of decision making

- 3.1 To perform duty with honesty, hardworking and responsibility.
- 3.2 To disclosure all facts if hiding the facts, it may cause incorrect audit report.
- 3.3 Do not request or receive property or good or other benefits from relevant business parties with the intention to act or neglect of incorrect act or to exchange with special benefits from the Company.
- 3.4 Do not use position in the Company for personal benefits.
- 3.5 Receipt of gift or souvenir in the appropriate occasion according to the customary only and the value of such gift shall not be greater than Baht 5,000. If it is necessary to receive gift which has value greater than specified value, he or she shall report his or her supervisor and it shall be transparency.
- 3.6 Do not participant in activity or relationship that may cause impediments to impartial duties including any acts or relationships that have conflict of interest.

4. Conflict of interest in entry into transaction of the Company

- 4.1 To avoid any acts that may cause conflict of interest with organization or that may affect the decision of operation.
- 4.2 To avoid personal relationship with the person that may have conflict of interest or may be competitor of the Company including personal relationship or business with other employees that may have conflict of interest or that may affect the working/operation environment.
- 4.3 Do not use information or opportunity as the Company's employee for personal benefit or personal business or other works other than the Company's work which may affect the operation.
- 4.4 Do not take any actions that may have conflict of interest with the benefits of Company's business or may compete with the Company's business which may cause the Company loses its benefit or receives less benefit than it should be.
- 4.5 To strictly comply with rules and procedure and disclosure of information on connected transaction pursuant to the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC).

5. Trading of Company's Securities and Use of Company's Inside Information

- 5.1 Do not use inside information or provide inside information to third party or use undisclosed information for the benefit of sale and purchase of Company's stocks. The senior managements shall not sell and purchase Company's stocks for specified period after disclosing of significant disclosure to give the opportunity to investor to evaluate such disclosure as it deems appropriate in accordance with the inside information policy.
- 5.2 Do not provide financial information and trend of operating result of the Company which have not been disclosed to the public yet or do not provide opinion on behalf of the Company to press, investor, analyst and external advisor whether through internet or public channels without consent from the Company.
- 5.3 Do not provide opinion to third party or press in relation to the matter of the Company of which the Company does not have policy or procedure on such matter or other matters that may affect the price of Company's stock.
- 5.4 To collect significant disclosure which has not been disclosed yet as the confidential information and only relevant officers can access such information. The relevant officers shall be informed that such disclosure is confidential and there is limitation of use including it shall not use such information to sell or purchase the Company's stocks.
- 5.5 To protect information which are received during the duty and do not use such information for personal benefit or other illegal benefit.
- 5.6 Directors and senior managements of the Company shall report sale and purchase and holding of Company's securities to the Board of Directors every time.

6. Compliance with Laws, Rules and Regulations

- 6.1 To strictly work according to the laws and regulations as specified by the Company and to responsible for studying guideline and advise on laws that have been changed in order to comply with them correctly.
- 6.2 To study and understand the Company's regulations and laws relating to work including the disciplinary actions and penalties and to explain it to subordinates.
- 6.3 To maintain disciplinary on working of itself and subordinates under the appropriate scope by considering of situation and fact and practical.
- 6.4 To respect and support activity and transaction with the legitimate objectives and corporate ethics.

7. Use and Maintaining of Company's Property, Information Technology and Intellectual Property

- 7.1 To comply with laws and regulations on the Company's information technology.
- 7.2 Do not infringe copyright and trademark that may cause damage to the Company.
- 7.3 To use hardware and software procured by the Company for Company's business.
- 7.4 To monitor third party on the access of files and program on necessity basis for working for the Company and to procure such person to comply with the laws and information technology and communication policy of the Company strictly.
- 7.5 To maintain the security of information technology system including not disclosing of password used for accessing the Company's information to third party.
- 7.6 To use Company's property efficiently for the best benefits of the Company and for development of working ability including not to use the Company's property for personal benefit.
- 7.7 To protect the Company's intellectual property from damage, loss, depreciation and to use such intellectual property for the best benefits of the Company including to maintain the confidential information appropriately.

8. Customer Treatment and Quality of Product/Marketing

- 8.1 To promote goods and services of the Company based on fact and do not mislead or contrary to morals, good traditions and not cause conflicts in society.
- 8.2 To commit to deliver goods and services according to the customer's requirement.
- 8.3 To maintain standard and quality of goods and services to create the confidence and satisfaction of the customer.
- 8.4 To acknowledge customer's complaint and to improve such complaint immediately, if there is limitation or it needs more time to improve it, the Company shall inform the information and status to the customer within the appropriate timeline and shall update the progress periodically.
- 8.5 Do not request for money, property and other benefits from the customer which will lead to dishonesty.

9. Counterparty Treatment (Trade Partner and Creditor)

- 9.1 To comply with terms, conditions or agreements strictly, if it cannot to comply with such terms and conditions, it shall inform and negotiate with trade partner to find solution with fairness.
- 9.2 To process the procurement with fairness and to treat stakeholders equally, correctly, completely and fairly.
- 9.3 To procure goods or services from suppliers who comply with the laws and do not have any benefit from illegal production or labor.
- 9.4 To consider quality and safety of supplied goods and services which will affect health of user, employee, community, society and environment.
- 9.5 Do not use the information from procurement for personal or another person benefit.
- 9.6 To negotiate and enter into agreement with fairness and not taking advantage from counterparty and it shall consider the Company's image.

10. Competitor Treatment

- 10.1 Do not compete competitor without reasonable.
- 10.2 Do not use information or trade secret of competitor without good faith.
- 10.3 To promote fair competition and to comply with rule of competition strictly.
- 10.4 Do not enter into contractual obligation with competitor or another person which will lead to reduce or limit competition.
- 10.5 To consider the fairness and honesty in doing business and benefit with trade partner with business ethics.

In order for the Company's personnel to perform the duty in accordance with the business ethics as determined by the Board of Directors, the Company has procured its managements and employees to do the self-assessment according to the Corporate Governance Self-Assessment and the Company has also organized the project on selection of best employees in good moral area for 1 time per annum. Such selection has two levels: officer position and manager and above whereby the selection criteria is based on the Company's business ethics.

Internal information policy

The Company has policies and procedures for directors and executives to use the Company's internal information which is not publicly available for personal purposes and benefits, including securities trading, as follows:

- 1) The Company will educate the directors, executives, and those who hold executive positions in the account or finance department at a managerial level or higher (as defined by the Capital Market Supervisory Board and the Stock Exchange of Thailand) on duties to prepare and report holding of securities of the Company under section 59 and the penalties under section 275 of the Securities and Exchange Act, B.E. 2535 (1992), as amended (the "Securities Act"), and reporting on the acquisition or disposal of securities of the Company under section 246 and penalties under section 298 of the Securities Act.
- 2) The directors, executives, and those who hold executive positions in the accounting or finance department at a managerial level or higher shall prepare and disclose reports on holding of securities issued by their companies and held by them, their spouse, and minor children under section 59 for the first time that they are appointed to act as a director or executive and every time there is a change in the holding of securities. The disclosure shall be made to the Company's Secretary to propose to the Office of the Securities and Exchange Commission at any time within the specified period. The Company's Secretary shall report the securities holding and the change of securities holding to the Board of Directors for acknowledge every six (6) months on a regular basis.
- 3) The directors, executives, those who hold executive positions in the accounting or finance department at a managerial level or higher, and related persons who receive significant internal information that has impacts on the change of securities price shall be prohibited to purchase, sell, offer for purchase and sale, solicit to buy, sell, offer for purchase or sale shares or other types of securities (if any) of the Company, whether directly or indirectly, during the period prior to the disclosure of financial statements or of financial status and performance of the Company until the Company has disclosed the information to the public. The Company will inform the directors, executives, and those who hold executive positions in the accounting or finance department at a managerial level or higher to refrain from doing so in writing at least 30 days prior to the public disclosure and to wait at least 24 hours after the disclosure to the public before they may enter into the above transactions.
- 4) The directors, executives, and employees of the Company and its subsidiaries are prohibited to use the internal information of the Company and its subsidiaries that affects or likely to affect the price of the Company's securities, that has not been disclosed to the public of which they learn from their position, for the purpose of purchasing, selling offering to purchase or sell any shares or other types of securities (if any) of the Company, whether directly or indirectly, and whether it is done for the benefit of themselves or others; or to disclose the information to others to enable them to do so whether or not the directors, executives, and employees of the Company and its subsidiaries will benefit from the disclosure.
- 5) The directors, executives, employees of the Company and its subsidiaries or former directors, executives, and employees who have resigned from their position shall be prohibited to disclose the internal information or secrets of the Company and its subsidiaries that they learn from their position, including the confidential information of partners of the Company and its subsidiaries, to third parties whether or not the disclosure shall not cause damage to the Company, its subsidiaries, or partners.
- 6) The directors, executives, and employees of the Company and its subsidiaries shall not disclose the internal information of the Company and its subsidiaries and not use their position in the Company and/or subsidiaries or use the internal information or significant information, that they learn or acknowledge during their performance for the Company and/or subsidiaries and that has not been disclosed to the public, to exploit and benefit for themselves in bad faith or to disclose the information to third parties for their personal benefits or for others, whether directly or indirectly and no matter they will benefit from the disclosure.
- 7) The directors, executives, employees of the Company and its subsidiaries or former directors, executives, and employees who have resigned from their position shall keep the internal information of the Company and its subsidiaries confidential. The directors, executives, and employees of the Company and its subsidiaries shall be prohibited to use the confidential information and/or internal information of the Company and its subsidiaries to benefit other companies.
- 8) The directors, executives, and employees of the Company and its subsidiaries shall have the duty to comply with the guidelines for the use of inside information under the Securities and Exchange Act, B.E. 2535 (1992), the Public Limited Companies Act, B.E. 2535 (1992), and other relevant regulations.



Corporate Social Responsibility

Policy Overview

Triple i Logistics Public Company Limited and its subsidiaries (collectively, the “Group”) recognizes the importance of sustainable business development under corporate social responsibilities (CSR), and strive to be responsible for environment and quality of life in every community in which it carries out business according to international practices. The Group also gives importance to communities and social participation to develop sustainable ways of life and good living based on international standards of social responsibilities.

Implementation and Preparation of Reports

As the Company realizes the importance and roles of social responsibility, the Company will disclose information regarding corporate social responsibilities for the benefits of all stakeholders. The Company has set-up sustainability management policies that cover all aspects of business operations, environmental, security, and social. Its corporate social responsibility policies are as follows:

1. Conduct business with fairness

The Company follows fair business conducts to ensure stakeholders’ confidence, which will provide long-term benefits to the Company, including the following conducts:

- to avoid any action that may cause a conflict of interest. If there is a conflict of interest, the Company will provide a fair mediation process and a thorough disclosure of critical information;
- to promote free competition and to avoid cronyism and conspiracy;
- not to support any infringement of intellectual property or copyright;
- to provide management system that can prevent bribery and corruption or, a system of which bribery and corruption can be discoverable without delay, including effective platform for problem-solving, and to provide fairness if there is any bribery and corruption;
- to promote to directors, executives, and employees the importance of countering corruption, extortion, and bribery in all forms.

2. Anti-corruption

The Company conducts its business with transparency and adheres to moral principles. The Company has established anti-corruption guidelines. It cooperates and expresses its intentions to be a part of an organization of anti-corruption campaign network with the Federation of Thai Chamber of Commerce. It also supports activities that promote and instill a sense of values and attitudes to the management and employees to comply with applicable laws and regulations by formulating clear work regulations and penalties. The Company realizes the importance of transactions made with third-party individuals and companies as it sets its anti-corruption policies in its working regulations for purposes to create conscious for all employees to be responsible for their work in a transparent manner and not to lead to corruption of all forms. The Company provides channels for complaints and aims that all employees will continuously monitor their work performance within the organization or report in the event of inappropriate conduct or unethical behavior in the conduct of business according to the Company’s ethical policies.



3 Respect for human rights and fair treatment of workers

The Company gives importance to and respects the law and human rights principles by adhering and ensuring that its business is in compliance with the law and human rights principles. The Company's policies are as follows:

- to support and respect for the protection of human rights, and to regularly monitor and ensure that the Company's business is not involved in human rights violations;
- to promote the monitoring of compliance with regulations regarding human rights within the Company and to stimulate compliance with international human rights principles. The responsibilities in respect of human rights shall extend to the Company's subsidiaries, investment partners, and business partners;
- to treat all of the Company's employees equally and ensure that there is no discrimination in terms of race, birth place, nationality, gender, age, color, religion, physical fitness, wealth, family, education, and any other status not directly related to their work performance;
- to provide opportunities for all employees to show their full potential by providing appropriate compensation and motivating their work performance in the form of salaries, bonuses, and appropriate operating expenses in accordance with the Company's regulations, and to provide opportunities for the Company's employees to conduct further studies in higher education and short-term and long-term trainings;
- to ensure that all of the Company's employees must perform their duties with best effort, honesty, integrity, and adherence to morality, and will not assign their duties to any other person to do on their behalves, whether directly or indirectly, unless it is necessary or convenient as the activity does not require their own skills;
- to ensure that the Company's employees perform their work according to organization structure of the Company, including taking instructions from and responsibility in their work directly from their supervisors, not to cross the line of authority unless necessary, and to avoid criticizing supervisor and colleague that may cause damage to such person of the Company. The Company's employees must be open to opportunities and be open-minded to consciously and reasonably listen to the opinion from their supervisor or colleague without prejudice;
- to ensure that the Company's employees are able to fully utilize resources, workforce, venues, and facilities of the Company to conduct their duties and not to utilize resources, workforce, venues, and facilities of the Company for other purposes, except for their duties or benefits to which they are rightfully entitled;
- to ensure that the Company's employees must be courtesy, dress properly, and behave appropriately for their jobs and duties, local customs, and do not cause damages to the Company's image;
- to ensure that the Company's employees can use the Company's name and their position to raise fund for charitable purpose organized by the Company and will not use the Company's name or their position to raise fund for any personal reasons;
- to ensure that the Company's employees cooperate in activities organized by the Company to create unity and harmony, including social activities organized by the Company;
- to prohibit the Company's employees from creating problems, nuisance, irritation, discouragement to others, hostility or interference with works that may lead to sexual harassment, whether to the Company's employees or third-parties who conduct business with the Company.



4. Responsibility towards customers and consumers

The Company places importance on the highest customer satisfaction. Customers of the Company will receive a fair price and quality products and services, and the Company holds itself responsible to those customers. In this regard, the Company has set-up the following policies and guidelines:

- The Company is committed to continuously develop fast and quality comprehensive range of logistics products and services to satisfy customers. The Company's employees must also be committed to fully satisfy customers with reasonable prices, fair conditions, and most updated and quality products and services.
- The Company shall not conduct any deceiving act or create hype on the quality of the Company's products and services.

5. Environmental care

The Company cares for safety and hygiene of the Company's employees and surrounding communities around the Company's office. The Company aims to promote and instill a sense of quality, safety, health, and environment as a way of life of the Company's employees for the benefits of everyone, including the overall community and society. The Company promotes the proper use of resources and reduces consumption under the following environmental care policies:

- The Company promotes safety by preparing standard terms and conditions on quality, safety, health, and environment, having measures not less than those prescribed by laws and in accordance with the international standards. The Company's employees must study and strictly comply with laws, policies, and the standard terms and conditions on quality, safety, health, and environment.
- The Company will take measures to control and prevent losses of all forms from accidents, fire, injuries or illness from work, property lost or damages, security breach, work errors and mistakes occurred, and to provide safe working environment for the Company's employees and to regularly practice safety plans. The management and the Company's employees are responsible for reporting accidents in accordance with the prescribed procedures. In 2018, there was no accident, injury and illness from work and the company's operations.
- The Company will organize public relations activities and media to educate and provide information to its employees, employees of the contractors and stakeholders to acknowledge and understand the Company's policies, rules, regulations, procedures, practices and precautions in relation to quality, safety, health, and environment and to be able to correctly comply without causing harm to health, property and the environment.
- The Company's commitment is to have corporate social responsibilities, in terms of quality, safety, health, and environment, including utilizing natural resources for the optimal benefits by realizing the importance of environment and safety to stakeholders. The Company also promotes social activities to protect the environment and improve the quality of life of the people in the community according to the principle of sustainable development.
- If any action is found unsafe or fails to comply with the standard terms and conditions on quality, safety, health, and environment, or it is found that there is a serious environmental impact, the Company's employees shall temporarily cease their actions as much as possible and inform their colleagues, supervisors, and responsible agencies to remedy or plan further, and not allow to work strictly.

6. Joint development for community or society

The Company is part of the society and cannot be segregated from the society. The Company has duties to be responsible for the development and return benefits to the community and society. To grow the Company sustainably in accordance with the development of society, it is the Company's duties as its main policies to give importance to community and social activities and to focus on the development of society, community, environment, to maintain religions, to create and conserve natural resources, to support education for youth and to promote public interest activities for under-privileged communities to become a strong community and self-reliance according to the following guidelines:

- The Company aims to understand and communicate with the society on the status and facts of its business, its responsibilities towards the community and society, its responsibilities to the environment. The Company shall not conceal facts that can be disclosed and shall be cooperative to provide information to investors, shareholders, and other interested parties in a timely manner.
- The Company is committed to contributing to the social responsibility for quality, safety, health, and the environment seriously and continuously and to the use of natural resources for the highest benefits by recognizing the importance of the environment and the safety of the stakeholders. The Company also promotes social activities to protect the environment and improve the quality of life of the people in the community according to the principle of sustainable development.
- The Company will take into account the alternatives for utilizing natural resources so that there will be the least impact on society, the environment and the quality of life of the people, and will support energy and resource reduction.
- The Company shall cultivate a sense of responsibility towards society and the environment in every employee, focus on dealing with partners who have the same vision on social and environmental responsibilities, and act as a leader in promoting effective use and conservation of energy to benefit later generations.
- The Company wishes to return a portion of its profits to activities that contribute to social and environmental unity. The activities to be done must be appropriate, and truly provide benefits to the community, society, and the environment. If the Company chooses to donate, the receipt of donation must be checked to ensure that the donation will be used for charitable purposes, efficiently, effectively, and will truly provide benefits. The donation must be documented.

Innovation and dissemination of innovation from implementation of corporate social responsibilities

The Company adopted the concept of social responsibility to deploy and innovate the business that can provide benefits and competitiveness in business and society as follows:

1. To explore processes of the business that is currently operating and consider whether it has negative social and environmental impacts, to study solutions to mitigate the impacts, to research, consider, and analyze the processes in detail and comprehensively, and to create opportunities to develop and discover innovative business;
2. To reveal the discovered innovations that are beneficial to the society and environment to encourage other businesses and entrepreneurs to follow;
3. To analyze solutions and to constantly develop innovations as a continuous process in order to create opportunities to invent new products and services, to grow and to generate sustainable business profits.

Corporate Social and Environmental Responsibility Activity

In the past, the Company has continually organized activities for society as follows:

1. Social and environmental activities that affect the stakeholders and the environment of the Company (CSR in process)

The group's company focuses on organizing social and environmental activities of which the target group is stakeholders that affect the Company's business operation by aiming to raise the level of knowledge development of all relevant sectors such as customers, trade partners, employees of the Company, educational institutions, training institutes, government agencies and associations and various private sectors as follows:

- O Customers and Trade Partner of the Company, Public Sector, Private Sector, Associations and Training Institutes
The group's company has organized training to transfer knowledges in many areas to significant customers' group, trade partners, private companies, associations, training institutes, universities such as the training on dangerous goods logistics and the regulations for the transport of dangerous goods by airfreight, sea freight and inland transport, the globally harmonized system of classification and labelling of chemicals, the chemicals risk assessment, the training on laws and regulations of chemicals management in Thailand, the logistics management and supply chain and the international trade and regulations on international trade.
The participation as the advisor and professional in the government sector such as Department of Industrial Works, Ministry of Industry, Food and Drug Administration, Ministry of Public Health, etc.
- O Industrial Logistics Sector
The group's company has participated in the driving of the logistics industry both domestically and internationally through the acting as director of Thai International Freight Forwarders Association, the acting as representative of group of companies which have improved and reviewed the mechanism of competency certification of persons according to professional standards in the field of international freight forwarders, multimodal transport operator and international distribution centre by the cooperation with Thailand Professional Qualification Institute and Thai International Freight Forwarders Association (TIFFA). In the previous year, it has impelled in other areas other than logistics which was transportation and storage of chemicals and dangerous goods under the cooperation between Thailand Professional Qualification Institute and Hazardous Substances Logistics Association (HASLA)
The representative of group's company has also acted as lecturer in Thailand's International Logistics Fair (TILOG-LOGISTIX 2018) organized by the Department of International Trade Promotion, Ministry of Commerce.
- O Chemical Industry Sector
The representative of group's company has participated on the development and driving of the Fifth National Strategic Plan on Chemical Management (2018-2026) under the supervision of National Chemical Management Committee which has the Prime Minister as the chairman. In addition, the group company's managements also acted as the advisor of the Chemical Industry Group, Vice-president and member of sub-committee namely Responsible Care® under the supervision of Chemical Industry Group, Federation of Thai Industries, and participated as the committee of Hazardous Substances Logistics Association (HASLA) such as the organizing of the annual general meeting, seminars and training to the members of association including being the representative of the association to attend the meeting in both domestic and international, etc. The Company also support as significant part to drive in both policy and practice perspectives for new laws relating to the chemicals and dangerous goods management of the Company's employees.

The group's company focused on human resources development and knowledge development in the organization continually. Therefore, it has developed its system that support the applicable laws including the development of training plan to transfer the knowledge systematically to the group's company employees and for the employees to perform their duties with the utmost benefits to all parties. The Company has sent its employees to attend trainings on matters relating to business operation of the group's company continually such as international sea freight and air freight, logistics and supply chain, warehouse management, dangerous goods logistics through sea freight, air freight and inland transport, dangerous goods storage, accounting and procurement training, environmental sanitation training, air cargo security control training, rules and regulations of dangerous goods and radiation protection training.

O Educational Institutions and University Sector

The group's company has significantly emphasised in the education. The representative of group's company has acted as the advisor of Safety, Health and Environment Policy Commission, Chulalongkorn University. In the last decade, the Company focused on participating in sharing of logistics knowledge to educational institutions and universities by sending the representative of group's company to act as lecturer to organize training on logistics and supply chain to International Transport & Business School (ITBS) including organizing many trainings on logistics knowledge to students such as training on warehouse management, transport of dangerous goods management and business principle and terminology of freight forwarders business.

2. Social and environmental activities that affect society and environment that indirect to the Company's business (CSR after process)

O Do the good things for society activity and public interest activity

- Support on Golf Competition Activity of Air Cargo Golf Club

Triple i Asia Cargo Company Limited was the main sponsor of the Annual AGC Tournament 2018 of Air Cargo Golf Club on 24 November 2018 at Royal Hills, Nakhon Nayok Province and also donated scholarship and sport equipment to Ban Dong Wittayakhan School and Huakhonkaeo School.

- "Punnumjai Saiyaipookpan Sarnfun Ban Rachawadee" Activity

The management and employee of Triple i Maritime Agencies Company Limited and CK Line (Thailand) Company Limited have donated money, appliances and foods including organizing recreation activity by sharing smile to disabled young persons who stayed in Rachawadee Home for Persons with Disabilities Protection and Development (for boys).

O Environmental Activity

- "Growing stronger, Growing together"

The group's company has used environment photo of professional photographer in calendar and diary for the year 2019 to create awareness on environmental protection and to present the beautiful and resourcefulness of the natures which will disappear if not taken care of it. It also used recycled papers as material for production. In addition, the group's company has donated money to the Forest Ranger Foundation, The Department of National Park, Wildlife and Plant Conservation to support the forest officers who perform their duties on wildlife and plant conservation.



Internal Control

Good internal control system is essential to listed companies. It helps preventing, managing, mitigating risks or damages which may occur to listed companies and their stakeholders. Hence, the Company values the importance of good internal control system according to good corporate governance principles and guidance on internal control by the SEC and the Stock Exchange of Thailand. Such guidance is in line with the international standard called “COSO” which sets out the internal control framework. The internal control framework consists of 5 components and 17 internal control principles which clarify the original components. The Board of Directors’ Meeting No. 3/2018 held on 8 May 2018, No. 5/2018 held on 7 August 2018, No. 6/2018 held on 13 November 2018 and No. 1/2019 held on 26 February 2019 had evaluated the Company’s internal control system through enquiries with the management and completed the Internal Control System Sufficiency Evaluation Form in respect of the following five components:

1. Control environment
2. Risk assessment
3. Control activities
4. Information & communication
5. Monitoring activities

The Board of Directors’ Opinion on the Company’s Internal Control System

The Board of Directors is of the view that the Company has adequate, appropriate and effective internal control system which supports achievement of the Company’s mission and objectives and compliance with the relevant laws, rules and regulations. The internal control system protects assets of the Company and its subsidiaries from being misused or misappropriated by any person or his/her related persons. The Company’s accounts have been prepared and its financial reports are correct, reliable and suitable to nature and type of the Company’s business. The internal control system covers transactions with the Company’s shareholders, directors, executives or their related persons. Such transactions were approved by the authorized persons and were accurately and completely recorded in the Company’s accounts to achieve the reliability of the Company’s financial reporting.

To provide confidence that the Company’s internal control system, risk management and corporate governance are effective and have continuously been improved to support the achievement of the Company’s mission, the Company had appointed KPS Audit Company Limited as outsourced internal auditor (the “Internal Auditor”). The Company assigned Miss Sichon Chotveerasatanont as coordinator between the Company and the Internal Auditor. The Internal Auditor is responsible for evaluating adequacy of the internal control system and is independent and reports directly to the Audit Committee and the Internal Audit Charter is approved by the Audit Committee. The Internal Audit Charter is reviewed on an annual basis to ensure that it is up-to-date with current environment. The internal auditor shall report results of internal audit to the Audit Committee and the Company’s executives on a quarterly basis to achieve good corporate governance.

KPS Audit Company Limited has used results of risk management by the Company’s executives in the year 2017 as information in preparing internal audit plan for the year 2018 and submitted to the Audit Committee for consideration and approval. The internal audit plan focuses on reliability of accounts and financial information, efficiency and effectiveness of operations, and compliance with laws and regulations. The Internal Auditor evaluated adequacy of the Company’s internal control system according to the 2013 COSO Framework (The Committee of Sponsoring Organization of Tradeway Commission) by auditing each work process, namely Revenue Process (customer sales and services, sales management, customer procurement, order acceptance, payment receipt, credit control, service cost management, adjustment and closing of accounts), covering purchasing, costs, and receipt of fees from customers according to supplier selection criteria, and price setting mechanism. This is to ensure that the Company has measures to prevent corruption risk in accordance with its anti-corruption policy. In addition, Human Resources Management Process (selection, training, salary and wage), Fixed Assets Management Process, and Information Technology Process (IT General Control, IT Application Control, IT Security) were audited. The Internal Auditor also followed up on outstanding issues from internal audit during Quarter 1 – 3 of the year 2018. Based on the internal audit results, the Company’s internal control system is adequate and effective. The Company has good internal control system and, with cooperation from the management, majority of the issues found in respect of the internal control system have already been rectified.

However, for those internal audit issues which remain outstanding and are under process of correction and prevention, the management and the Executive Committee has prepared plan for correction and monitoring so that they can be corrected and improved as intended by the Company.

Risk Factors

The Company's risk factors that may impact the business operation include the followings:

Risks in Business

1. Risk on highly dependent on large suppliers

For air freight business unit, as a Cargo General Sales Agent, the unit's cost of goods sold to Thai AirAsiaX ("TAAX") and Thai Air Asia ("TAA") was 28.0%, 17.6% and 27.1% of the total cost of the Company's group from 2016 – 2018 respectively. This shows that the air freight business unit has high dependency on a single supplier. If the contract between the Company's group and TAA or TAAX is not renewed, this would affect the revenue of air freight business unit significantly.

The Company's group is fully aware of the risk therefore, the Group has been negotiated with mentioned airlines to act as sole Cargo General Sales Agents for TAA and TAAX. Furthermore, contracts between them are 3 years term in which the latest contract between TAC and TAA is effective from 1 January 2017 to 31 December 2019 while the latest contract between TAC and TAAX is effective from 1 June 2017 to 31 May 2019. In addition, GSA contracts with TAA and TAAX covers inspection, packing, and other related activities that rely on people and equipment of TAC which is a strength point to prevent the competitor to entry into this business. The Company's group has been building great relationships with mentioned airlines to develop consistent revenue growth to the Company's group and to airlines. As a result, the contracts have been successfully renewed in the past 10 years.

However, the Company's group tries to reduce dependency on a single airline and to expand routes in order to provide more service routes which focusing on new domestic routes and international routes in the AEC countries. The company has steadily been appointed as Cargo General Sales Agents for many airlines during

2. Risk on highly dependent on large customers

In terms of customer's dependency in wholesale freight forwarding in air freight business unit, there is a single large customer who contributes revenue of 13.8%, 12.7% and 4.6% from 2016 to 2018 respectively of the air freight business unit. This shows that air freight business unit has high dependency on a single customer. If the Company's group losses the customer, this would affect the revenue of air freight business unit significantly.


Similar to logistics management business unit, one major customer contributes 44.3%, 32.3% and 28.2% of revenue to the logistics management business unit from 2016 to 2018 respectively. This shows that logistics management business unit has high dependency on a single customer. If the contract between the Company's group and the customer is not renewed, this would affect the revenue of logistics management business unit significantly.

The Company's group is fully aware of this risk therefore the Company's group has strategy to reduce dependency on large customers is to focus on delivering high quality services, building superior relationships among them to encourage long-term contracts and to find new customers to expand its customer's base. In addition, with the services provided to various business sectors, this also helps the Company's group to continually reduce dependency on major customers.

In the past three years, the Company's group renewed the contracts with the customer and continued to provide services. In addition, the Company's group provides services for many business sectors which provide services at the competitive market price therefore, it will support to reduce the risk on dependent on one customer for specific business and the Company's group.

3. Risk on the variability of freight charge

Freight charge of air freight and sea freight are considered to be the major operating costs of the Company's group. From 2016 to 2018, freight charge of air freight was 78.5%, 81.3% and 79.2% of the total cost, respectively, while freight charge of sea freight was 7.3%, 6.4% and 5.8% of the total cost, respectively. Both freight charge for air freight and sea freight are variable to the demand and supply in the market. If the Company's group is not able to pass the rising of freight charge to customers by increasing fee charged to customers, it will significantly affect the operating cost and net profit of the Company's group.



The Company's group is fully aware of this operating risk. Therefore, the Company's group has been carefully planning to manage freight charge for air freight and sea freight in the most effective way. For air freight business, as a Cargo General Sales Agent, freight charge of the Company's group is fixed according to the GSA contract. Moreover, the variable freight charge under freight forwarding business is directly passed through from airlines resulting in better cost management to the Company's group. At the very competitive price that can be benchmarked in the market, the Company's group's service fee policy is calculated from cost plus minimum profit. Therefore, the Company's group can pass some part of variability of freight charge to the customers and the Company's group is one of the major player in air freight services and the booking of freights is quite large resulting in the Company's group has a high-power bargaining for the price of freight charge.

For sea freight business, the Company's group forecasts the volume of demand for freight and the volume of freight at the same time to increase bargaining power. The Company's group undertakes to closely monitor freight rates to forecast the situation and price trends. To be able to set a service price, there is a margin that can accommodate the change in price. In addition, if the transportation route required by the customer is the route of the shipping line represented by the Company's group, the Company's group will choose the service of the shipping line to increase competitiveness, price and profitability. In addition to the cost management approach, the Company's group receives benefits from a joint venture with ECU Hold NV Ltd., a leading global consolidation for sea freight company, by setting up ECU to manage international sea freight. This joint venture between the Company's group and the leading global service provider will result in the Company's group can use sea freight services through the services of joint venture company which has power bargaining on price with shipping companies. ECU has its parent company as the leading consolidator for sea freight by using NVOCC with more than 300 branches worldwide, the service is available in 160 countries, covering more than 4,000 destinations and destinations and a global transport volume of more than 6.5 million cubic meters, or more than 250,000 containers per year. As a result, the Company's group can compete in terms of price and profitability due to its ability to manage freight. These factors allow the Company's group to manage the risk of freight fluctuations.

4. Risk on the competition in logistics industry

Logistics business in Thailand is a highly competitive business. There are a large number of entrepreneurs in the industry because they are a business that does not require high investment but focuses on having good relationship with customers and partners and the ability to sell which makes it possible for new competitors to compete in the industry. If competition is more intense or there are new operators, this may affect the Company's Group's business by causing the Company's group has fewer customers or lower the price and this could result in lower revenue and profit for the Company's group.

However, the competition in the logistics business focuses on the expertise in the route and management of each type of goods and fast response to customer needs. To have a quality network, it has the ability to provide services to customers at reasonable prices and meet the needs of customers and have a reliable experience. The Company's group has a long-standing expertise in the business. The experience has accumulated for over 26 years and has consistently benefited customers. There may not be many entrepreneurs can do it. Moreover, the Company's group is a large company which has a bargaining power to negotiate freight charge. Due to a large amount of volume to reserve the freight. Therefore, the Company's group can control the cost of goods sold at a competitive level.

In addition, the Company's group is aware of the risk of competition and has developed and expanded its services to provide a full range of services to cover all aspects of logistics services. The business segment is divided into four business groups, namely the air freight, sea freight and inland transport, logistics management and chemicals and specialty logistics. We focus on providing services in depth to provide specialized expertise. It can accommodate both specialized customers and general customers. The Company's group also focuses on enhancing its service capabilities to comply with international standards and develop the technology for the services and reduce duplication of work including quick response to the task for reducing costs. To make a difference to the Company's group, the Company's group has jointly invested with international business partners including regional and global companies such as ECU, CK Line, Excel Air Group and DGP to protect the investment and penetration into the logistics market of foreign companies. The expansion and development of services of the Company's group will enhances the ability to compete and retain customers.

5. Risk on Investment in foreign countries

The Company's group is also operating in foreign countries both in terms of limited companies and branches. The risk in investing in foreign countries would occur due to the difference in laws, regulations, and culture. In addition, a foreign market might have higher number of logistics services providers who provide similar services that would result in higher competition.

The Company's group has been doing research and analysis on foreign countries before deciding to invest abroad. The Company's group's policy is to find experienced local partners to help the Company's group operation such as laws and regulations, cultures and competition. In addition, the investment in incorporation and operation in foreign country requires large amount of capital injection therefore, if the Company's group has business partner, it will reduce the risk on lack of experience and knowledge in each country and such business partner will support the business operation of the Company's group in foreign country.

6. Risk of damage, loss, and claims on late delivery

The Company's group provides integrated logistics services business. There is a risk of litigation from service due to product damage and loss of goods or accident during work or delay of transportation which may be caused by severe accidents such as fire or natural disasters or force majeure. This may cause damage to life and property, both under the ownership of the customer and the Company's group. As a result, there may have compensation expenses, damages, fines and impact on the Company's group's reputation and revenue.

In 2017 and 2018, the Company's group had compensation expenses totaling 4.50 million Baht and 1.4 million Baht respectively representing 0.20% and 0.05% of total revenues of the Company's group respectively. The Company's group cannot guarantee that they will be able to deliver the product on time and will not damage it case this may occur due to other factors that the Company's group cannot control such as accidents, flight cancellations, natural disasters or otherwise. However, the delay occurs due to various factors is a business liability exception, as stated in the contract.

The Group is aware of such risks and has therefore engaged in insurance related to the Company's group's business. This includes the products deposited in the Company's group's warehouse. The terms of the damages are clearly stated and limited liabilities of the Company's group as well to reduce the burden and conflict between the Company's Group and customers that may occur. The logistics industry has laws, international rules to determine the maximum liability of operators for sea freight, air freight and inland transport such as IATA FIATA and Marine Transport Act.

In addition, the Company's group has set guidelines and develops systems to minimize the risk of damage or late delivery of goods as follows:

- To determine the prevention and prepare an emergency plan.
- To determine the responsibilities and fines. In cases where the supplier cannot deliver the goods by quality or on time. The supplier assessment will be organized in every year.
- To increase internal audit and coordination measures and to coordinate with the warehouse for the time required to load all products to find ways to prevent delays such as overtime in the morning and advance loading
- - To develop the information technology to track the status of goods during transportation.

7. Risk on warehouse service space supply

Warehouse management business of the Company's group is mainly operating at warehouses from warehouse renting service provider. Warehouses for chemical and dangerous goods are all located in Ticon Logistics Park on Bangna-Trad Km.39 with a total area of 23,735 sq.m. The warehouse renting contract between the Group and Ticon Logistics Park Co., Ltd. ("TPARK") is a short-term contract of three-year term. Therefore, if the Company's group is not able to renew the contract with TPARK, it would affect the operation, revenue, and profit of the Company's group. Thus, over the past nine years, the contract was continuously renewed. As well as increased the space rented from TPARK. Moreover, TICON continuously expands warehouses for chemical and dangerous goods which can be seen as an opportunity for the Company's group to rent those warehouses rather than investing by its own.

For the logistics management business, TSC leases a warehouse in Bangna Km.19 from Thriven Asset 2 Co., Ltd. with a total of rental space of 3,296 sq.m. which can expand as required in the future. In addition, the Company's group also studies the possibility of construction of its own warehouse for services.

8. Risk on the stability of IT system

The Company's group's operation for all business units are mainly engaged with IT system. Starting from transportation, pick up, warehousing, distribution, and tracking, as to increase efficiency, speed, reduce cost, and complexity of service. If IT system fails, especially information lost, this would affect the operation and reputation of the Group.

The Company's group realized on the importance of IT system, therefore, a team who is responsible for IT system is formed to develop, immediately fix, and maintain the stability of IT system. They will also revise their schedule continuously to maintain the efficiency and effectiveness of the system. Moreover, the Company's group has invested in Storage Area Network (SAN) and Disaster Recovery Site (DR site) to be prepared for emergency circumstances such as backing up information in case of information lost and to keep the operation, including information and computer system, uninterrupted in an efficient way at the needed time. In addition the company The Company's group has a annual training to try to use the DR Site. In case of emergency case occurs, the Company's group can operate the business.

9. Risk on warehousing and transporting of chemical and dangerous goods

The chemical and specialty logistics is the business that required expertise on managing of chemical and dangerous goods including storage and transport of chemical and dangerous goods due to if a chemical leak could affect the goods, lives, or assets of customers or the Company's group itself including other persons and environment around the warehouse.

The Company's group is fully aware of this risk therefore the Company's group focuses on the safety and to continue strive for excellence in management and compliance with laws where the Company's group considers goods that will be transported and stored, and procures the tools and equipment and place which are appropriate for chemical and dangerous goods and prepares the manual of use for tools and equipment with safety and prepare work procedures, guidelines and knowledges of preliminary work and complies with the laws regarding the standard practice of international transport including domestic laws. In addition, the Company's group continues to organize training for employees in order to increase employees' proficiency and to strengthen defensive measure.

Furthermore, the Group has been doing insurance to protect and compensate loss that might occur during both domestic and international freight services and all risk insurance for indemnifying of loss and damage that may occur from international transport to cover responsibility of goods, custom and third party and omission and damage of goods that may occur from accident arising out of outside circumstances due to acts of god, vandalism, willful and other accidents including burglary.

10. Risk on highly dependent on experienced personnel

Logistics business relies highly on experienced personnel. The expertise required in operation makes personnel a key factor of the Company's group success. The Company's group faces risk when there is a lack in employees, especially if cannot find replacement, this would significantly effect on business, results of operations, financial conditions and prospects of the Company's group.

To be well managed on the dependency on personnel, human resources development plan is established. This includes the continuous employee training to increase employees' proficiency, job rotation, welfare, bonus based on performance, and job transfer plan to ensure the continuity of the position especially for those with the important roles.

Furthermore, to reward excellence employees, motivate, and encourage long-term stay with the Company's group, on 15 March 2017, the Extraordinary General Meeting of shareholders no. 1/2017 has resolved to approve the issuance and offering for sale of 4.5 million ordinary shares to employees as well as the issuance and offering for sale of warrants of 10,500,000 units to employees.

11. Risk on policies of government or regulatory bodies

The integrated logistics business of the Company's group directly affects from the government policies, particularly the tax collection policy such as import and export taxes, the policy on duty free zone, the policy on development of sea port and airport. If the government or relevant regulatory bodies change policy in a negative that affects the business of Company's group such as the increase of import duty rate, increase of VAT or the termination of lease agreement in seaport and airport zone. It may affect the Company's group or customers to have higher costs. In addition, the policy of AOT on low cost airline and the policy on AEC may result in foreign entrepreneurs invest more in Thailand therefore, the Company's group may face with more competitors. The Company's group may have risk on the change of policy on usage of warehouse for domestic and international goods of AOT.

The risks may impact the financial position and operating result of the Company's group. The Company's group is fully aware of this risk therefore, the Company's group closely monitor policies of government sector, AOT and relevant regulatory bodies to evaluate the impact and risk to the business operation of the Company's group in order to negotiate and to change management plan and working procedure to in line with the current circumstance although the policies may not be easily changed. Furthermore, the Company's group focuses on the entering into long-term contract and the negotiation on conditions that may impact the business of Company's group. With respect to the policy on AEC, it may result in more competition due to the increase of new logistics service providers and the Company's group may loss some of revenues however, it may result in the increase of exchange of goods and resources which will support the growth of Thai logistics industry.

The Company's group plans to increase capacity and capability for competition and to respond the change of government's policies including building business relationship network. At present, the Company's group has planned to invest in the AEC with its business partners in the AEC countries such as joint venture with the business partner in Singapore and Myanmar and to have representatives in other countries of this region. The Company's group is ready to develop business plan to respond customers' need and to increase capability in competition of the Company's group.



Risk on financial matter

1. Risk on the fluctuation of foreign exchange

The Group provides international freight services and have business in foreign countries. In the year 2017 - 2018, the Company's group revenues in foreign currency from overseas subsidiaries accounted for 50.6% and 47.0% of total revenues from services provided by the Company's group.

However, in serving customers in foreign countries. The Company's group has business partners who are operators in the logistics business in various countries of which such business partners act as a representative of the Company's group for providing services and receiving service charge from customer at destination. The cost and revenue will be the same currency. Income and expenses in the same currency (Natural Hedge) can help reduce the risk of exchange rate fluctuations to a certain extent. The Company's group has closely monitored exchange rate movements to assess the situation and trend of exchange rates. In addition, the Company's group has entered into foreign currency forward contracts without speculation and has opened overseas branch offices to manage revenue and expenses in foreign currency. This is one of the risks management of exchange rate fluctuations by having income and expenses in the same currency.

Therefore, the Company's group has risk on exchange rate fluctuation. If the exchange rate between Thai Baht and foreign currency fluctuates considerably, it will have a significant impact on the Company's group's revenue. This may cause a profit or loss from the exchange rate.

2. Risk on management

Risk from major shareholders influencing policy and management

As of 31 December 2018, the executives and management committee of the Company's group held shares of 64.19% of total paid-up capital. As a result, the executives and management committee of the Company's group has influence in the management policy in one direction and can control the policy and management of the Company. It also controls the approval of the majority of shareholders meeting except that the laws or regulations requires three-fourth of the votes from the shareholders who attend meeting and have the voting right. Therefore, other shareholders may not be able to collect votes to monitor and balance of agendas proposed by the major shareholders.

To prevent the risk of being controlled by a large group of shareholders and to ensure transparency in the management and monitoring and balance of power of executives and directors, the company responds to such risks by the appointment of four independent directors whereby those independent directors are the director of the Company and three members of the Audit Committee and one chairman of the Board of Directors from the total of eleven directors for the purpose of auditing, check and balance and approve any matters before propose to the shareholders meeting for approval. In addition, the Company has established a code of business ethics as a guideline for the performance of duties of directors and executives in accordance with the code of conduct to comply with the principles of good corporate governance in accordance with the guidelines of the Stock Exchange of Thailand and the scope of duties and the delegation of authority of the Board of Directors is clear and no conflict of interest.

Assets of Business Operation

Fixed Assets

As of 31 December 2018, the Company and its subsidiaries had the fixed assets for operating of business after the deduction of accumulated depreciations as shown in the consolidated financial statements of the Company of 239,158,039 Baht, the details are as follows:

Type / Nature of Assets	Net Book Value (Baht)	Type of Ownership	Emcumbrances
Consolidated Financial Statements			
Lands	33,432,000	owner	Mortgage with Financial Institution
Buildings and Building Improvements	70,721,455	owner	Mortgage with Financial Institution
Tool and Equipment	28,050,584	owner	-
Vehicles and Equipment	53,055,869	owner/operating lease	-
Furniture and fixtures	10,535,743	owner	-
Office equipment	41,791,028	owner	-
Construction in progress	1,571,360	owner	-
Total	239,158,039		

The Company mortgaged lands, buildings and some parts of building improvements with financial institution as the security of long-term loan of financial institution.

The details of lands and holding purpose of significant assets for operating of group company's businesses as of 31 December 2018 can be summarized as follows:

1. Lands and Land Improvements

Company	Location	Area	Purpose of Holding	Type of Ownership	Emcumbrances
TLG	628 Soi Klab Chom, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok 10120	3 Ngan 61.3 Sq. Wah	Office Building	Owner	For the security of bank guarantee issued by financial institution of 493 million Baht
TAX	Land title deed no. 74806, Pongtalong Sub-district, Pak Chong District, Nakhonratchasima Province	61 Sq. Wah	For seminar and client reception	Owner	For the security of long-term loan of financial institution of 13 million Baht
Total		3 Ngan 122.3 Sq. Wah			

2. Building and Building Improvements

Company	Location	Area	Purpose of Holding	Type of Ownership	Emcumbrances
TLG	628 Soi Klab Chom, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok 10120	Improvement of Rama III Building	Office Building	Owner	For the security of bank guarantee issued by financial insitution of 493 million Baht
TAX	Pongtalong Sub-district, Pak Chong District, Nakhonratchasima Province	Building Improvement of Khao Yai Building	For seminar and client reception	Owner	For the security of long-term loan of financial insitution of 13 million Baht
TAX	628 Soi Klab Chom, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok 10120	Improvement of Rama III Building	Office Building	Right to lease from TLG	None
AGS	Cargo Terminal 2, Don Mueang Airport	Improvement of Cargo Terminal 2, Don Mueang Airport	Warehouse	Right to lease from Airports of Thailand Public Company Limited	None
AGS	Cargo Terminal 1, Don Mueang Airport (International Cargo Terminal)	Improvement of Cargo Terminal 1, Don Mueang Airport	Warehouse	Right to lease from Airports of Thailand Public Company Limited	None
TAC	Suvarnabhumi Airport	Improvement of office No. 2134, Suvarnabhumi Airport	Office	Right to lease from Airports of Thailand Public Company Limited	None
TAC	628 Soi Klab Chom, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok 10120	Improvement of Rama III Building	Office	Right to lease from TLG	None
TAC	Don Mueang Airport	Improvement of Storage Room, Don Mueang Airport	Storage Room	Right to lease from Airports of Thailand Public Company	None
TAC	Don Mueang Airport	Improvement of Building , Don Mueang Airport	Office	Right to lease from Airports of Thailand Public Company Limited	None

Company	Location	Area	Purpose of Holding	Type of Ownership	Emcumbrances
TAC	Don Mueang Airport	Improvement of Cargo Terminal, Don Mueang Airport	Office	Right to lease from Airports of Thailand Public Company Limited	None
TAC	Hat Yai Airport	Improvement of Warehouse, Hat Yai Airport	For Goods Stroage	Right to lease from Airports of Thailand Public Company Limited	None

3. Vehicles and Equipment

Company	Location	Area	Purpose of Holding	Type of Ownership	Emcumbrances
TLG	628, Triple i Building, 3 rd Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	2 Sedan Cars	For Business Operation	Right to lease from Master Car Rental Company Limited	Lease Agreement
TAX	Cargo Terminal, Don Mueang Airport	1 Six-wheels Truck	Freight Services	Owner	None
TAX	Cargo Terminal, Don Mueang Airport	4 Six-wheels Trucks	Freight Services	Owner	Financial Lease Agreement
TAX	Cargo Terminal, Don Mueang Airport	2 Four-wheels Pick-up Trucks	Freight Services	Owner	None
TAX	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 Sedan Car	For Business Operation	Owner	Financial Lease Agreement
TAC	Suvarnabhumi Airport	2 Loading Truck Conveyors	Goods Transport at Airport	Owner	None
TAC	Don Mueang Airport	2 Pick-up Trucks	Goods Transport at Airport	Owner	None
TAC	Don Mueang Airport	7 Trailers	Goods Transport at Airport	Owner	None
TMA	628, Triple i Building, 2 nd Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 sedan car	Leased by CKT	Owner	None
TMA	628, Triple i Building, 2 nd Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 car	For Business Operation	Owner	None

Company	Location	Area	Purpose of Holding	Type of Ownership	Emcumbrances
TMA	628, Triple i Building, 2 nd Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 sedan car	For Business Operation	Right to lease from Phatra Leasing Public Company Limited	Lease Agreement
TMA	54/9-10 Moo. 9 Bangna-trad Road., Km. 19, Bangchalong Sub-district, Bangplee District, Samutprakarn Province	12 Trailers	For Business Operation	Owner	None
TMA	54/9-10 Moo. 9 Bangna-trad Road., Km. 19, Bangchalong Sub-district, Bangplee District, Samutprakarn Province	17 Semi-trailers	For Business Operation	Owner	None
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	1 Pick-up Truck	For Business Operation	Owner	Financial Lease
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	2 Mini Vans	For Employees Transpot	Owner	None
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	2 Pick-up Trucks	For Business Operation	Owner	Financial Lease Agreement
TSC	628, Triple i Building, 6 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	5 Pick-up Trucks	For Business Operation	Owner	Financial Lease Agreement
HLM	628, Triple i Building, 4 th Floor, Nonsee Road, Chongnonsee Sub-district, Yannawa District, Bangkok	3 Sedan Car	For Business Operation	Right to lease from Master Car Rental Company Limited	Lease Agreement

Insurance of Assets of Business Operation

The Insurances of Company's group is the insurance in type of property damage and transport which include losses and damages of moveable assets and immoveable assets arising from disasters or accidents (Industrial All Risks Insurance), cargo liability, custom liability, third party liability and negligence.

The Company's group has the insurance coverage amount under such insurance as of 31 December 2018 of 1,708.71 million Baht, the details are as follows:

Company	Type of Insurance	Insured Assets	Beneficiary	Insurance Coverage (Million Baht)
TLG	Industrial All Risks Insurance	Buildings and office's Equipment	TLG	123.0
TAC	Industrial All Risks Insurance	1. Buildings	TAC	1.20
		2. Inventories and Parcel Posts		5.00
		3. Tools and Equipment for Operating of Business		2.51
TAX	Transportation specialist legal liability insurance policy	1. Cargo Liability	TAX	20 per time
		2. Custom Liability	TAX	2 per time
		3. Third-party Liability	TAX	20 per time
		4. Errors and Omissions	TAX	4 per time
AGS TAC TAX	Industrial All Risks Insurance	1. Warehouse Liability	AGS TAC TAX	6 per time
		2. Building Liability		
		3. Cargo Liability		
		4. Equipment Liability		
		5. Business Liability		
HLM	Industrial All Risks Insurance	Warehouse, Office and other relevant businesses	HLM	500
TSC	Industrial All Risks Insurance	Inventories and Furnitures	TSC	800
HLM	Transportation specialist legal liability insurance policy	Cargo Liability	HLM	20
TLG	Transportation specialist legal liability insurance policy	1. Cargo Liability	TLG	10 per time
		2. Custom Liability	TLG	2.5 per time
		3. Third Party Liability	TLG	10 per time
		4. Errors and Omissions	TLG	2.5 per time
TSC	Inland Transit Insurance	All Risks Insurance	TSC	30.0
HLM DGP HTM	Inland Transit Insurance	All Risks Insurance	HLM DGP HTM	150

Policy of Investment in Subsidiaries and Associated Companies

The Company has its policy of investment in companies which in logistic business and supporting logistic business of the Company's group to increase the benefit to the Company's group and to increase channels of sale of the Company's group. With respect to the management of the subsidiaries and associated companies, the Company will invest in the appropriate proportion and will appoint the Company's representative to be the director of such subsidiary and associated company in the number which is in line with the shareholding ratio in the subsidiary and associated company to monitor and supervise the business operation of such subsidiary and associated company which will be in line with the appropriate direction and for the best benefit of the Company, subsidiaries, associated companies and shareholders.

At present, the Company invests in 23 subsidiaries which have the Company's executives hold the directorship in such subsidiaries and the shareholding ratio can be summarized as follows:

Company	Symbol	Shareholding Ratio
Triple i Asia Cargo Co., Ltd.	TAC	holds 99.99 % by TLG
Triple i Air Express Co., Ltd.	TAX	holds 99.99 % by TLG
Asia Ground Service Co., Ltd.	AGS	holds 99.99 % by TLG
Triple i Maritime Agencies Co., Ltd.	TMA	holds 99.99 % by TLG
Triple i SupplyChain Co., Ltd.	TSC	holds 99.99 % by TLG
Cross Border Couriers Co., Ltd.	CBC	holds 99.99 % by TLG
DG Packaging (Thailand) Co., Ltd.	DGP	holds 99.99 % by TLG
HazChem Logistics Management Co.,Ltd.	HLM	holds 99.99 % by TLG
Triple i International Company Limited	TIL	holds 99.99 % by TLG
Triple i International Japan	TIJ	holds 100% by TIL
Asia Network International Co., Ltd.	ANI	holds 59.99% by TLG
Excel Air Co., Ltd.	ECA-BKK	holds 30% by TLG
GSA Asia Cargo	GSA-MM	holds 60% by ANI
CK Line (Thailand) Co., Ltd.	CKT	holds 42% by TLG
ECU Worldwide (Thailand) Co., Ltd.	ECU	holds 43% by TLG
HazChem TransManagement Co., Ltd.	HTM	holds 59.99% by HLM
CWT Chemical Logistics Co., Ltd.*	CWT *	holds 50.99% by HLM
HazChem Logistics Management Pte., Ltd.	HLM – SG	holds 55% by HLM
Excel Air (Guangzhou)	ECA-GZ	holds 25% by TIL
Excel Air (HK)	ECA-HK	holds 25% by TIL
Freightwork GSA (HK) Limited	Freightwork-HK	holds 20% by TIL
GSA Cargo Network (Myanmar)	GCN-MM	holds 50% by TIL
DG Packaging Pte., Ltd.	DGPS	Holds 50% by TLG

Remark : * CWT have registered the dissolution with the Ministry of Commerce on 1 November, 2018 and are under the liquidation process.

Related-party Transaction

Relationship between the Group and individuals / juristic persons with potential conflict of interest

Triple i Logistics Public Company Limited, its subsidiaries and associated companies within the Group:

Company	Abbreviation	Shareholding
Triple i Logistics Public Company Limited	TLG	N/A
Triple i Asia Cargo Company Limited	TAC	99.99% shareholding by TLG
Triple i Air Express Company Limited	TAX	99.99% shareholding by TLG
Asia Ground Service Company Limited	AGS	99.99% shareholding by TLG
Triple i Maritime Agencies Company Limited	TMA	99.99% shareholding by TLG
Triple i Supplychain Company Limited	TSC	99.99% shareholding by TLG
Cross Border Couriers Company Limited	CBC	99.99% shareholding by TLG
DG Packaging (Thailand) Company Limited	DGP	99.99% shareholding by TLG
Hazchem Logistics Management Company Limited	HLM	99.99% shareholding by TLG
Triple i International Pte., Ltd.	TIL	99.99% shareholding by TLG
Triple i International Japan Co., Ltd.	TIJ	100% shareholding by TIL
Asia Network International Company Limited	ANI	59.99% shareholding by TLG
Excel Air Company Limited	ECA-BKK	30% shareholding by TLG
GSA Asia Cargo	GSA-MM	60% shareholding by ANI
CK Line (Thailand) Company Limited	CKT	42% shareholding by TLG
ECU Worldwide (Thailand) Company Limited	ECU	43% shareholding by TLG
Hazchem Trans Management Company Limited	HTM	HTM 59.99% shareholding by HLM
CWT Chemical Logistics Company Limited	CWT*	50.99% shareholding by HLM
HazChem Logistics Management Pte., Ltd.	HLM – SG	55% shareholding by HLM
Excel Air (Guangzhou)	ECA-GZ	25% shareholding by TIL
Excel Air (HK)	ECA-HK	20% shareholding by TIL
Freightwork GSA (HK) Limited	Freightwork-HK	20% shareholding by TIL
GSA Cargo Network (Myanmar)	GCN-MM	50% shareholding by TIL
DG Packaging Pte., Ltd.	DGPS	50% shareholding by TLG

*CWT has registered business cessation with the Ministry of Commerce and under liquidation process

Persons with potential conflict of interest include:

- directors or executives of the Company;
- major shareholders of the Company;
- controlling persons of the Company;
- a person having blood relations or legal relations by marriage or registration with person under (a) (b) or (c) such as father, mother, spouse, sibling, children or spouse of children;
- a juristic person in which person under (a) (b) or (c) holds shares or have significant control or other interests whether directly or indirectly.

The relationship between the Company and persons with potential conflict of interest and related party transactions entered by them during 2017 and 2018 can be summarized as follows:

Person with potential conflict of interest	Type of relationship
R & K Transervice Company Limited ("R&K")	Provision of all types of freight services and a major shareholder of HTM with 40% shareholding.
G3 Glogistics (Thailand) Co., Ltd. ("G3")	Provision of freight forwarder service and a major shareholder of CKT with 28% shareholding.
Sammitr Green Power Company Limited ("Sammitr")	Provision of installation of material and components used for gas system in cars and machinery, of which Mr. Krirkkrai Jirapaet, Chairman of the Board of Directors and Independent Director, is a director.
Business Alignment Public Company Limited ("BIZ")	Trading and manufacturing of medical equipment, science instrument, and medicines, of which Mr. Woodtipong Moleechad, Independent Director and Chairman of the Audit Committee, is chairman of the board of directors and independent director and Mr. Vipoota Trakulhoon, Independent Director and Member of the Audit Committee, is an independent director and member of the audit committee.
Symphony Communication Public Company Limited ("Symphony")	Provision of other telecommunication management service, of which Mr. Woodtipong Moleechad, Independent Director, is a director.
Spring Mineral Water Public Company Limited ("Spring Mineral")	Production and distribution of drinking water, of which Mr. Krirkkrai Jirapaet, Independent Director, is a shareholder.

Transactions relating to borrowing and lending

1. Service fees for utilization of TLG's credit for issuance of bank guarantee from financial institution

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between TLG and GCN-MM GCN-MM requested for utilization of TLG's credit for issuance of bank guarantee from financial institution O Service fees for issuance of bank guarantee	-	136,653	GCN-MM entered into a bank guarantee from financial institution in the amount of Baht 13,665,300 through utilization of TLG's credit. GCN-MM is required to pay service fees to TLG at the rate of 1.0%.	The Audit Committee has considered this transaction and is of the view that the utilization of credit is beneficial since it increases the Group's liquidity and fixed deposit account is not required as security from the financial institution. This transaction is not considered a financial burden to TLG as a service fees is charged between the parties.

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between TLG and GSA-MM GSA-MM requested for utilization of TLG's credit for issuance of bank guarantee from financial institution O Service fees for issuance of bank guarantee	-	184,312	GSA-MM entered into a bank guarantee from financial institution in the amount of Baht 18,431,180 through utilization of TLG's credit. GSA-MM is required to pay service fees to TLG at the rate of 1.0%.	The Audit Committee has considered this transaction and is of the view that the utilization of credit is beneficial since it increases the Group's liquidity and fixed deposit account is not required as security from the financial institution. This transaction is not considered a financial burden to TLG as a service fees is charged between the parties.
Transaction between TLG and ECA-BKK ECA-BKK requested for utilization of TLG's credit for issuance of bank guarantee from financial institution O Service fees for issuance of bank guarantee O Service fee receivables	519,979 Begining 535,316 Increase 556,377 Decrease (1,063,762) Ending 27,931	475,414 Begining 27,931 Increase 508,693 Decrease (536,624) Ending -	ECA-BKK entered into a bank guarantee from financial institution in the amount of Baht 47,541,445 through utilization of TLG's credit. ECA-BKK is required to pay service fees to TLG at the rate of 1.0%.	This transaction was approved by the meeting of the Audit Committee held on 20 February 2018. At present, the transaction involves repayment of service fee receivables. This transaction is not considered a financial burden to TLG as a service fees is charged between the parties and it occurs once a year.

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between TLG and ANI ANI requested for utilization of TLG's credit for issuance of bank guarantee from financial institution O Service fees for issuance of bank guarantee O Service fee receivables	178,155 Beginning 283,702 Increase 190,626 Decrease (283,702) Ending 190,626	30,000 Beginning 190,626 Increase 32,100 Decrease (190,626) Ending 32,100	ANI entered into a bank guarantee from financial institution in the amount of Baht 3,000,000 through utilization of TLG's credit. ANI is required to pay service fees to TLG at the rate of 1.0%.	This transaction was approved by the meeting of the Audit Committee held on 20 February 2018. At present, the transaction involves repayment of service fee receivables. This transaction is not considered a financial burden to TLG as a service fees is charged between the parties and it occurs once a year.
Transaction between TLG and CKT CKT requested for utilization of TLG's credit for issuance of bank guarantee from financial institution O Service fees for issuance of bank guarantee O Service fee receivables	- Beginning - Increase - Decrease - Ending -	61,700 Beginning - Increase 66,019 Decrease - Ending 66,019	CKT entered into a bank guarantee from financial institution in the amount of Baht 6,170,000 through utilization of TLG's credit. CKT is required to pay service fees to TLG at the rate of 1.0%.	This transaction was approved by the meeting of the Audit Committee held on 20 February 2018. At present, the transaction involves repayment of service fee receivables. This transaction is not considered a financial burden to TLG as a service fees is charged between the parties and it occurs once a year.

2. Loan transaction between the Company's subsidiary and associated company

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between TLG and ANI				
ANI borrowed from TLG				
O Loan	Beginning 1,400,000 Increase 2,250,000 Decrease (1,400,000) Ending 2,250,000	Beginning 2,250,000 Increase - Decrease - Ending 2,250,000	On 30 June 2017 and 27 September 2017, ANI entered into loan agreements with TLG to use the loan proceed as its working capital in the amount of Baht 2,250,000. The interest rate on the loan is equivalent to MLR interest rate per annum. Such rate is a market interest rate. The loan amount is proportionate to percentage of shareholding by TLG.	Such loan agreements were approved by the Audit Committee on 8 August 2017, 7 November 2017, 20 February 2018, 8 May 2018, 7 August 2018 and 13 November 2018. At present, the transaction involves interest payment according to the agreements and the interest is charged at reasonable rate.
O Interest received	67,742	140,625	ANI pays interests under	
O Accrued interest receivable	Beginning 115 Increase 67,742 Decrease (55,913) Ending 11,944	Beginning 11,944 Increase 175,300 Decrease (175,300) Ending 11,944	the loan agreements to TLG at the end of every month.	

Transactions relating to provision and use of services

1. Office lease and related services between the Company and its associated company

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between TLG and ECU ECU leases office space from TLG O Rental and service fees O Rent receivable	4,005,808 Beginning 482,805 Increase 4,279,915 Decrease (4,632,650) Ending 130,070	4,115,635 Beginning 130,070 Increase 4,358,369 Decrease (3,985,192) Ending 503,247	ECU entered into office lease and service agreements with TLG on 1 February 2016. The rates of rental and service fees are of market rates and renewal of the agreements is considered every 3 years.	This transaction was considered and approved by the meeting of the Audit Committee held on 28 February 2017. The Audit Committee is of the view that rental and service fees are reasonable because it is used as office for company within the Group and is convenient for the business. The rates of rental and service fees are comparable to the market rates.
Transaction between TLG and CKT CKT leases office space from TLG O Rental and service fees O Rent receivable	2,247,067 Beginning 128,285 Increase 2,400,581 Decrease 2,381,658 Ending 147,208	2,282,177 Beginning 147,208 Increase 2,411,690 Decrease (2,452,329) Ending 106,569	CKT entered into office lease and service agreements with TLG on 1 January 2016. The rates of rental and service fees are of market rates and renewal of the agreements is considered every 3 years.	This transaction was considered and approved by the meeting of the Audit Committee held on 28 February 2017. The Audit Committee is of the view that rental and service fees are reasonable because it is used as office for company within the Group and is convenient for the business. The rates of rental and service fees are comparable to the market rates.

2. Dangerous goods and chemical logistic and distribution services and container trucking service with R&K

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between HLM and R&K Dangerous goods and chemical logistic and distribution services and container trucking service <input type="radio"/> Service fees <input type="radio"/> Service fees payable	34,194,249 Beginning 3,042,115 Increase 34,194,249 Decrease (33,511,458) Ending 3,724,905	28,779,348 Beginning 3,724,905 Increase 28,779,348 Decrease (29,151,142) Ending 3,353,111	R&K provides dangerous goods and chemical logistic and distribution services and container trucking service. It is a major shareholder of HTM with 40% shareholding. R&K provides dangerous goods and chemical logistic and distribution services and container trucking service to HLM at service fees which is a market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction without being dependent on any person who may have conflict of interest. The pricing is also based on the market price.
Transaction between DGP and R&K Dangerous goods and chemical logistic and distribution services and container trucking service <input type="radio"/> Service fees <input type="radio"/> Service fees payable	52,658 Beginning 4,600 Increase 52,658 Decrease (54,958) Ending 2,300	22,900 Beginning 2,300 Increase 22,900 Decrease (25,200) Ending -	DGP uses dangerous goods and chemical logistic and distribution services and container trucking service of R&K. The service fees charged to DGP is of market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction without being dependent on any person who may have conflict of interest. The pricing is also based on the market price.

3. Logistic and other related services of associated companies

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between TLG and ECU				
Sea freight expense				
○ Freight and other fees	1,176,781	10,166,820	TLG pays sea freight expense to ECU as a normal business transaction. The sea freight expense charged to TLG is of market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable. The transaction increases efficiency in the Group's provision of services
○ Freight and other fees payable	Beginning 12,628	Beginning 2,995		
	Increase 1,259,156	Increase 10,937,190		
	Decrease (1,268,789)	Decrease (9,831,554)		
	Ending 2,995	Ending 1,108,631		
Fee sharing for customer referral				
○ Commission fee	7,328,691	4,953,310	TLG refers overseas customers to use freight services with ECU and receives a share of revenue for customer referral at a market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The commission fee is charged at a market rate.
○ Commission fee payable	Beginning 3,493,052	Beginning 690,696		
	Increase 7,841,699	Increase 5,258,041		
	Decrease (10,644,055)	Decrease (5,067,750)		
	Ending 690,696	Ending 880,987		
Revenue from drinking water	-	3,465	[The price is equivalent to cost paid by TLG to supplier, which is an average price per pack.]	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The cost of drinking water is of market rate.
Revenue from drinking water				
Transaction between TLG and CKT				
Sea freight expense				
○ Freight and other fees	-	432,627	TLG pays sea freight expense to CKT as a normal business transaction. The sea freight expense charged to TLG is of market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable. The transaction increases efficiency in the Group's provision of services.

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Revenue from drinking water Revenue from drinking water	-	225	[The price is equivalent to cost paid by TLG to supplier, which is an average price per pack.]	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The cost of drinking water is of market rate.
Transaction between TLG and Spring Mineral Drinking water expense ○ Drinking water expense	-	31,500	TLG purchases drinking water with company logo from Spring Mineral. The cost of drinking water is of market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The cost of drinking water is of market rate.
Transaction between HLM and ECU Agency service fee ○ Service fee ○ Service fee payable	380,448 Beginning 8,480 Increase 380,448 Decrease (384,889) Ending 4,039	563,706 Beginning 4,039 Increase 563,706 Decrease (567,745) Ending -	The fee incurs when HLM uses ECU's representative for international sea freight service as HLM does not have a representative at such sea port. The service fee charged to HLM is of market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Sale of dangerous good label ○ Sales revenue	-	1,600	HLM sells dangerous good and chemical labels to ECU. The selling price is of market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The selling price is of market rate.
Transaction between HLM and CKT BL charge paid by CKT for HLM's customers ○ Service fee ○ Service fee payable	201,608 Beginning 28,500 Increase 201,608 Decrease (228,808) Ending 1,300	328,002 Beginning 1,300 Increase 328,002 Decrease (329,302) Ending -	HLM uses sea freight service of CKT for international transportation of goods within the Group as normal business operation. The service fee is charged at a market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between HLM and HTM				
Provision of accounting and administrative services				
○ Service income	944,553	1,241,000	HLM provides accounting and administrative services to HTM, an associated company of which HLM is a shareholder. To reduce repetitive management and to control expenses, HTM engages HLM to manage and prepare accounts for HTM.	The Audit Committee has considered this transaction and is of the view that the transaction is to support administrative works of HLM group. The transaction reduces repetitive management and controls expenses and the service fee is reasonably charged.
○ Service fee receivable	Beginning -	Beginning 5,191		
	Increase 944,553	Increase 1,241,000		
	Decrease (939,362)	Decrease (1,125,281)		
	Ending 5,191	Ending 120,910		
Dangerous goods and chemical logistic and distribution services				
○ Service fee	40,144,765	35,476,399	HTM provides distribution services to HLM's major customers, supporting four-wheel and six-wheel vehicles. The service fee is charged at the market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
○ Service fee payable	Beginning 3,353,124	Beginning 3,052,461		
	Increase 40,144,765	Increase 35,476,399		
	Decrease (40,445,429)	Decrease (34,910,834)		
	Ending 3,052,460	Ending 3,618,026		
Transaction between HLM and HLM-SG				
Dangerous goods and chemical logistic and distribution services				
○ Service fee	3,542,449	3,116,400	HLM-SG provides dangerous goods and chemical logistic service in Singapore. If HLM has customers who wish to transport chemical and dangerous goods in Singapore, HLM will engage HLM-SG as its agent.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
○ Service fee receivable	Beginning 1,186,553	Beginning 548,464		
	Increase 3,542,449	Increase 3,116,400		
	Decrease (4,180,539)	Decrease (2,998,974)		
	Ending 548,463	Ending 665,890		
Integrated logistic services for chemical and dangerous goods				
○ Service income	6,647,130	7,417,719	HLM provides services to HLM-SG's customers who require integrated logistics services for chemical and dangerous goods in Thailand. HLM is a parent company of HLM-SG.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
○ Service fee receivable	Beginning 1,487,106	Beginning 2,298,428		
	Increase 6,647,130	Increase 7,417,719		
	Decrease (5,835,808)	Decrease (7,395,880)		
	Ending 2,298,428	Ending 2,320,267		

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between HLM and DGPS Dangerous goods and chemical logistic service <input type="radio"/> Service fee <input type="radio"/> Service fee payable	Beginning Increase Decrease Ending	- 136,688 - Beginning - - Increase 136,688 - Decrease (128,839) - Ending 7,849	DGPS distributes packaging for dangerous goods and chemical and provides dangerous goods and chemical packaging service in Singapore. HLM uses services provided by DGPS as direct representative of HLM.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between DGP and DGPS Cost of boxes for dangerous goods and chemical <input type="radio"/> Cost of boxes <input type="radio"/> Account payable – cost of boxes	Beginning Increase Decrease Ending	- 2,012,623 - Beginning - - Increase 2,012,623 - Decrease (1,883,276) - Ending 129,347	DGPS distributes packaging for dangerous goods and chemical and provides dangerous goods and chemical packaging service in Singapore. DGP purchases packaging for dangerous goods and chemical from DGPS as direct representative of DGP.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The cost of boxes is of market rate.
Service fees for transportation and distribution of dangerous goods and chemical <input type="radio"/> Service fees		- 6,596	DGPS distributes packaging for dangerous goods and chemical and provides dangerous goods and chemical packaging service in Singapore. If DGP's customers wish to use logistic service in Singapore DGP will use DGPS' service as direct representative of DGP.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Advertising fee to IATA O Advertising fee	-	62,907	DGP pays advertising fees for packaging distribution companies of DGPS published in IATA media.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The advertising fee is of market rate.
Service income from dangerous goods and chemical logistic and distribution O Service income	-	172,782	DGP provides dangerous goods and chemical logistic service in Thailand. If DGPS' customers wish to use dangerous goods and chemical logistic service in Thailand, DGPS will use DGP's service as direct representative of DGPS.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Revenue from sale of boxes for dangerous goods and chemical O Revenue from sale of boxes	-	658	DGP provides dangerous goods and chemical logistic service in Thailand. If DGPS' customers wish to use dangerous goods and chemical logistic service in Thailand, DGPS will use DGP's packaging as direct representative of DGPS.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The packaging price is of market rate.
Transaction between DGP and HTM Dangerous goods and chemical logistic and distribution services O Service fees	-	17,200	DGP uses dangerous goods and chemical logistic and distributions services of HTM. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction without being dependent on any person who may have conflict of interest. The service fee is also based on the market price

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between DGP and ECU				
Freight service				
○ Service income	10,000	2,000	DGP charges fees for obtaining permit to carry dangerous goods (DG Permit) to ECU. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Packaging service				
○ Service income	51,900	13,400	DGP provides packaging services to ECU. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Logistic service				
○ Service income	7,500	5,100	DGP provides logistic service to ECU. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between TAX and G3				
Air freight service				
○ Service income	2,423,380	166,913	G3 uses air freight service provided by TAX as TAX's customer. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
○ Service fee receivable	Beginning -	Beginning 18,151		
	Increase 2,423,380	Increase 166,913		
	Decrease (2,405,229)	Decrease (177,921)		
	Ending 18,151	Ending 7,143		

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between TAX and ECU				
Air freight service				
Air freight service	8,081,058	9,487,816	ECU, as TAX's customer, uses air freight service provided by TAX in its normal business operation. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
○ Service income	Beginning 628,719	Beginning 372,767		
○ Service fee receivable	Increase 8,081,058	Increase 9,487,816		
	Decrease (8,337,010)	Decrease (9,103,686)		
	Ending 372,767	Ending 756,897		
Transaction between TAX and ANI				
Air freight service				
○ Service income	4,911	9,416	ANI, as TAX's customer, uses air freight service provided by TAX in its normal business operation. The service fee is charged at market rate	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Provision of lease and service				
○ Rental and service income	1,650,243	1,730,888	TAX leases, and provides service in respect of, office space to ANI. The rental and service fees are charged at market rates.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable since it is a lease of an office space to a company within the Group and facilitates the Group's business operations. The rental rate charged is at arm's length and comparable to the market price.
○ Rental and service fee receivable	Beginning 1,941	Beginning 2,139		
	Increase 1,650,243	Increase 1,730,088		
	Decrease (1,650,045)	Decrease (1,731,672)		
	Ending 2,139	Ending 1,355		

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Air freight service O Service fee O Service fee payable	9,897,986 Beginning 275,707 Increase 9,897,986 Decrease (10,098,730) Ending 74,963	19,037,170 Beginning 74,963 Increase 19,037,170 Decrease (18,966,756) Ending 145,377	TAX, as ANI's customer, uses international air freight services provided by ANI in its normal business operations. ANI is a sales agent of Jeju Air and LAN Chili. ANI is a sole operator who oversees marketing and sales of air cargo for outbound routes from Thailand. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between TAX and ECA-BKK Air freight service O Service fee O Service fee payable	17,942,890 Beginning 1,068,412 Increase 17,942,890 Decrease (17,785,772) Ending 1,225,530	15,067,750 Beginning 1,225,530 Increase 15,067,750 Decrease (15,051,623) Ending 1,241,657	TAX, as ECA-BKK's customer, uses logistic service provided by ECA-BKK in its normal business operation. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between TIL and ECA-HK Provision of air freight service O Service income O Service fee receivable	31,876,754 Beginning 6,078,182 Increase 31,876,754 Decrease (34,867,170) Ending 3,087,766	27,637,253 Beginning 3,087,766 Increase 27,637,253 Decrease (28,695,138) Ending 2,029,881	ECA-HK operates cargo agent service in Hong Kong and acts as representative of the group company in finding inbound logistic. The service fee is a standard price charged to wholesale customers (wholesale air freight charge). The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between TIL and ECA-GZ Provision of air freight service O Service income O Service fee receivable	24,786,468 Beginning 5,366,993 Increase 24,786,468 Decrease (27,622,302) Ending 2,531,159	23,475,839 Beginning 2,531,159 Increase 23,475,839 Decrease (23,077,154) Ending 2,929,844	ECA-GZ operates cargo agent service in China and acts as representative of the group company in finding inbound logistic. The service fee is a standard price charged to wholesale customers (wholesale air freight charge). The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between TIL and Freightwork-HK Provision of air freight service O Service income O Service fee receivable	67,823,342 Beginning 22,256,312 Increase 67,823,342 Decrease (82,659,735) Ending 7,419,919	48,428,192 Beginning 7,419,919 Increase 48,428,192 Decrease (46,957,382) Ending 8,890,729	Freightwork-HK operates cargo agent service in Hong Kong and acts as representative of the group company in securing inbound logistic. The service fee is a standard price charged to wholesale customers (wholesale air freight charge). The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between TAC and ANI Consulting fee O Consulting income O Service fee receivable	1,710,000 Beginning - Increase 1,710,000 Decrease (1,557,525) Ending 152,475	1,882,500 Beginning 152,475 Increase 1,882,500 Decrease (2,034,975) Ending -	Management consulting fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction supports business activities of associated company. It enhances operational efficiencies of companies within the Group. The consulting fee is of market rate.

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
○ Air freight service ○ Service fee ○ Service fee payable	144,607 Beginning - Increase 144,607 Decrease (123,492) Ending 21,115	439,331 Beginning 21,115 Increase 439,331 Decrease (449,531) Ending 10,915	TAC uses ANI's air freight service on its no-service routes. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between TAC and ECA-BKK Revenue from fleet card ○ Revenue from fleet card ○ Service fee receivable	62,951 Beginning - Increase 62,951 Decrease (62,951) Ending -	64,260 Beginning - Increase 64,260 Decrease (56,480) Ending 7,780	The service fee charged is equivalent to actual expense paid by TAC to supplier.	The Audit Committee has considered this transaction and is of the view that it is an advance payment for fuel and is charged according to the actual expense incurred, as part of normal business operation.
Transaction between TAC and ECU Airline ticket fees ○ Income from airline ticket fee ○ Airline ticket fee receivable	10,421 Beginning - Increase - Decrease - Ending -	22,085 Beginning - Increase 22,085 Decrease (12,960) Ending 9,125	The fee is equivalent to cost paid by TAC to supplier, which is an average price per ticket.	The Audit Committee has considered this transaction and is of the view that it is an advance payment for airline ticket. The amount of fees collected is equivalent to the actual expense. The transaction is a normal business transaction.
Transaction between TMA and CKT Import and export service by sea freight ○ Service fee	23,644	10,935	CKT provides import and export service by sea freight to TMA as part of its normal business operation. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Management service O Service income O Service fee receivable	2,700,339 Beginning - Increase 2,700,339 Decrease (2,653,102) Ending 47,237	2,491,190 Beginning 47,237 Increase 2,491,190 Decrease (2,325,074) Ending 213,353	TMA provides shipping line management and administrative services to CKT. The service fee is charged at market rate.	The Audit Committee considered this transaction and is of the view that the transaction supports business activities of the Group. The service fee is charged at a reasonable rate.
Provision of trucking service O Service income O Service fee receivable	208,000 Beginning - Increase 208,000 Decrease (205,200) Ending 2,800	233,000 Beginning 2,800 Increase 233,000 Decrease (217,600) Ending 18,200	TMA provides trucking service to transport goods for CKT. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between TMA and ECU Provision of trucking service O Service income O Service fee receivable	139,315 Beginning - Increase 139,315 Decrease (116,356) Ending 22,959	126,819 Beginning 22,959 Increase 126,819 Decrease (83,038) Ending 66,740	TMA provides trucking service for ECU's containers. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between TMA and G3 Provision of trucking service O Service income O Service fee receivable	786,700 Beginning - Increase 786,700 Decrease (693,063) Ending 93,637	2,721,924 Beginning 93,637 Increase 2,721,924 Decrease (2,354,052) Ending 461,509	TMA provides trucking service upon request. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between TSC and BIZ Revenue from warehouse storage service O Service income O Service fee receivable	174,783 Beginning 24,527 Increase 187,018 Decrease (182,849) Ending 28,696	228,078 Beginning 28,696 Increase 244,044 Decrease (210,723) Ending 62,017	BIZ uses warehouse storage service provided by TSC. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.

Transaction	Transaction Size		Nature of Transaction	Opinion of the Audit Committee
	Fiscal Year Ending 31 December 2017	Fiscal Year Ending 31 December 2018		
Transaction between TSC and Mr. Viraj Nobnomtham Revenue from warehouse storage ○ Service income ○ Service fee receivable	- Beginning Increase Decrease Ending	48,270 - Beginning Increase Decrease Ending 51,649 (46,673) 4,976	Mr. Viraj Nobnomtham uses warehouse storage service provided by TSC. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.
Transaction between AGS and G3 ○ Warehouse storage charge	-	66,227	Warehouse storage charge is incurred from G3 using warehouse storage service provided by AGS. The charge is determined based on market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The charge is of market rate.
Transaction between AGS and ANI ○ Revenue from management service	-	924,000	AGS provides air freight management and administrative services to ANI. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction supports business activities of the Group. The service fee is charged at a reasonable rate.
Transaction between AGS and Symphony ○ High-speed internet service fee	-	515,500	The service fee is incurred from provision of high-speed internet service in Donmuang Airport area to AGS by Symphony. The service fee is charged at market rate.	The Audit Committee has considered this transaction and is of the view that the transaction is reasonable and a normal commercial transaction. The service fee is of market rate.

Related Transaction Policy

1. Procedure for approval of connected transaction

The entry into connected transaction of the company and its subsidiaries shall be in accordance with the rules of the Securities and Exchange Act and the Capital Market Supervisory Board's Notification no. ThorJor. 21/2551 re: the rules on entry into the connected transaction together with the Stock Exchange of Thailand's Notification re: the disclosure and the procedure of a listed company in relation to the connected transaction including the relevant regulations of the Office of the SEC and/or the SET as well as complying with rule on the disclosure of connected transactions in the footnote to financial statement audited by the auditor of the company and the Annual Registration Statement (Form 56-1).

If the company is required by laws to obtain the approval from the Board of Directors or the shareholders' meeting prior to the entry into connected transaction, the company will procure the Audit Committee to review and provide opinion on such transaction and such opinion of the Audit Committee will be proposed to the Board of Directors or the shareholders, as the case may be, to ensure that the entry into connected transaction for the best benefits of the company. Transactions having general and non-general trading conditions shall be conducted under the following principles:

○ **Transactions having general trading conditions**


In respect of an entry into a transaction having general trading conditions among the Company and its subsidiaries and directors, executives or a related person, the Company shall make a request for approval in principle to the Board of Directors. The Board of Directors may approve the transaction if it is a commercial agreement that is generally done in a similar situation by parties having the same bargaining powers without having influence as a director, executive, or related person. The Company shall prepare a summary report on the related-party transaction to report in the Audit Committee's meeting and the Board of Directors' meeting every quarter.

○ **Transactions having non-general trading conditions**

An entry into a transaction having non-general trading conditions must be considered and reviewed by the Audit Committee prior to the consideration and approval by the Board of Directors and/or a shareholders' meeting in accordance with the laws concerning securities and exchange, regulations, notifications, orders, and requirements of the Capital Markets Supervisory Board and the Stock Exchange of Thailand, and regulations concerning disclosure of information related to related-party transactions.

If there have connected transactions between the company and/or its subsidiaries with any person who may have conflict of interest, stake or conflict of interest in the future, the Audit Committee will provide its opinion on the necessity of the entry into transaction and the appropriate of value of such transaction by considering any conditions in accordance with the normal business operation in the industry and/or comparison with third party price and/or market price and/or price or condition relating to the entry into such transaction at the similar standard as third party and/or to proof that the entry into such transaction has determined the price or conditions with reasonable and fairness. If the Audit Committee does not have expertise to consider the connected transaction that may occur, the company will appoint the independent expert or the company's auditor to provide opinion on such transaction for consideration of the Board of Directors, the Audit Committee and/or shareholders, as the case may be.

In principle, the management team can approve such transaction if such transaction have a commercial terms in the characteristic that the person of ordinary prudence shall act with general counterparty in the similar situation with the power bargaining that without influence of status as director, executive or connected person. The company will prepare summary report on the entry into transactions for acknowledgement in the next Board of Directors' meeting.



In respect of the approval of connected transaction, any person who may have conflict of interest or stake in the entry into such transaction, cannot vote in the approval of such connected transaction. This is to ensure that the entry into such transaction shall not be the transition or transfer of benefits between the company or shareholders of the company, but it will be the transaction that the company considers the highest benefit of all shareholders. The company will disclose the connected transaction in the footnote to financial statement audited by the company's auditor, annual report and Annual Registration Statement (Form 56-1).

After being the listed company of the Stock Exchange of Thailand, the company will comply with the rules, regulation, protocol of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board, the Stock Exchange of Thailand on the entry into the connected transaction, and the acquisition or disposal of assets under the relevant regulation of the listed company strictly.

2 Connected transaction policy

- 2.1 The directors and executives of the company shall prepare report on their conflict of interest or connected persons and notify the company for using as the information for complying with the relevant regulations on the entry into connected transaction.
- 2.2 To avoid the entry into connected transaction that may create conflict of interest.
- 2.3 If it is necessary to enter into connected transaction, the company will comply with procedure and will perform in accordance with the relevant laws including the regulations of the Office of the Securities and Exchange Commission, the Capital and the Stock Exchange of Thailand.
- 2.4 To determine price and conditions of connected transaction on arm's length basis which shall be fair, reasonable and highest benefit to the company and all shareholders. If there is no such price, the company will compare the price of goods or service with the external price under the similar conditions.
- 2.5 The connected person who enters into connected transaction cannot approve or vote to approve for the relevant matters.
- 2.6 In consideration of connected transaction, the company may appoint the independent appraisal to evaluate and compare the price for the significant connected transaction to ensure that such connected transaction is reasonable and for the highest benefits of the company and all shareholders.

Policy or future trends regarding intercompany transactions

Future intercompany transactions include service fees charged by TLG for issuance of bank guarantee from financial institution, lease and service fees for office space and dangerous goods and chemical logistics service charged to joint venture and consortium, and container trucking service with R&K. Logistics service and related services of joint venture and consortium which will not occur in the future include restructuring of the group company, sale and purchase of assets, and intercompany loans between the Company's subsidiaries, associated companies and joint ventures. If such transactions occur, the Company will comply with policy and procedures relating to intercompany transactions.

If the group company has any future intercompany transaction, it will comply with policy and procedures relating to intercompany transactions and the Board of Directors shall comply with laws relating to securities and exchange and rules, announcements, orders or regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand, regulations relating to disclosure of connected transactions by the Company or its subsidiaries, and the accounting standards issued by Thailand Federation of Accounting Professions.

4 FINANCIAL STATEMENT





Responsibilities of the Board of Directors for Financial Reporting

The Board of Directors is responsible for the financial statements of Triple i Logistics Public Company Limited and its subsidiaries, including financial information disclosed under the Annual Report. The financial statements have been prepared in accordance with the generally accepted accounting principles and suitable accounting policies were selected and strictly complied with. The Company has exercised due care and chosen reasonable forecast method. Important information has been adequately disclosed under the notes to financial statements.

The Board of Directors has set risk management framework and maintained appropriate internal control system to ensure accuracy of the Company's accounts, protection of the Company's assets, and prevention of fraud or misconduct by the Company's employees.

In this regard, the Board of Directors has appointed the Audit Committee, consisting of independent directors. The Audit Committee is responsible for monitoring quality of financial reports and efficiency of internal control system and internal audit. The Audit Committee also has a duty to review connected transactions. Opinion of the Audit Committee in respect of connected transactions has been included in this Annual Report under Report of the Audit Committee section.

The Board of Directors is of the view that the Company's internal control system and internal audit are at 'Good' level. The evaluation of such systems has provided satisfactory results and, hence, it is confident that the financial statements for the year ending 31 December 2018 of Triple i Logistics Public Company Limited and its subsidiaries are reliable, fairly presenting in all material respects financial positions, operating performance, and cash flows according to the financial reporting standards. The auditor has given his opinion with respect to such financial statements in this Annual Report under the Auditor's Report section.



Mr. Krirkkrai Jirapaet
Chairman of the Board of Directors



Mr. Tipp Dalal
Chairman of Management Committee
and Chief Executive Officer

Report of the Audit Committee

The Audit Committee of Triple i Logistics Public Company Limited consists of 3 independent directors with specializations in finance, accounting, laws, and management. The directors have all qualifications as set out under the Company's Audit Committee Charter, which was prepared according to guidelines and regulations prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee consists of the following members:

- | | |
|-----------------------------|--|
| 1. Mr. Woodtipong Moleechad | Independent Director and Chairman of Audit Committee |
| 2. Mr. Vipoota Trakulhoon* | Independent Director and Member of Audit Committee |
| 3. Mr. Apichart Chirabandhu | Independent Director and Member of Audit Committee |

* Member of Audit Committee who has knowledge and experience in evaluating the reliability of financial statements

During the year 2018, the Audit Committee attended meetings with internal auditor and external auditor and, if appropriate, the Company's management and accounting personnel would also attend the meetings, in order to review the financial statements and exchange comments and recommendations. The meetings were held to ensure that the financial reporting was prepared according to generally accepted accounting principles, information was adequately disclosed, and no actions was taken in contravention with the relevant laws and regulations. During the year 2018, the Audit Committee held 6 meetings. The performance of duties by the Audit Committee were regularly reported to the meetings of the Board of Directors. Summary on performance of duties by the Audit Committee is as follows:

1. Review of financial reports

The Audit Committee reviewed the quarterly financial statements and the annual financial statements together with auditor, management and internal auditor and submitted the financial statements to the Board of Directors for consideration.

2. Transactions with possible conflict of interests

The Audit Committee reviewed, monitored and provided opinion on connected transactions or transactions with possible conflict of interests on a quarterly basis by considering reasonableness and benefits of the Company's stakeholders. Sufficient information was disclosed according to the Stock Exchange of Thailand's regulations.

3. Internal control and risk management

The Audit Committee evaluated the adequacy of the Company's internal control system by reviewing reports of the internal auditor and the auditor. The adequacy and efficiency of the internal control system and key risk management are evaluated.

4. Compliance with laws and regulations

The Audit Committee monitored if the Company has strictly complied with laws, the Stock Exchange of Thailand's regulations or laws relating to the Company's business.

5. Oversight of corporate governance

The Audit Committee monitored if the Company has been operating its business according to the principles of good corporate governance in order to create transparency and fairness and confidence to the Company's stakeholders.

6. Oversight of internal audit

The Audit Committee has a duty to recommend, appoint, rotate and remove internal auditor. The Audit Committee considered audit objectives and scope of work of the internal auditor in overseeing internal audit. It approved internal audit plan for the year 2019 prepared by the internal audit department and provided recommendations and observations on the internal audit plan. The Audit Committee acknowledged audit results for the year 2018 and recommendations from the auditor and internal auditor. It reported results of every meetings of the Audit Committee to the Board of Directors and provided useful recommendations to the Company's management. The management had applied such recommendations to the Company's operations as appropriate and in line with best practices for the Audit Committee and regulations of the Stock Exchange of Thailand.

7. Appointment of auditor and determination of audit fees

The Audit Committee has a role in appointment and removal of auditor. In selecting qualified auditor and determining audit fees, the Audit Committee considers quality and audit expertise of the auditor and the amount of work done by the auditor. For the fiscal year 2018, the Audit Committee recommended the Board of Directors to propose the appointment of PricewaterhouseCoopers ABAS Ltd. as the Company's auditor for approval by the shareholders' meeting. Set out below is the list of auditors:

Mr. Vichien Khingmontri	Certified Public Accountant No. 3977 and / or
Mrs. Sukhumaporn Wong-ariyaporn	Certified Public Accountant No. 4843 and / or
Miss Varaporn Vorathitikul	Certified Public Accountant No. 4474

Overall, the Audit Committee is of the view that, in the year 2018, the Company accurately reported its financial and operating information. The Company's internal control system was adequate and appropriate. The Company complied with laws relating to securities and stock exchange, the Stock Exchange of Thailand's regulations, and laws relating to the Company's business. The Company had appropriate and effective internal audit and risk management. The Company correctly disclosed connected transactions and its operations were consistent with the principles of good corporate governance, transparent and reliable.



Mr. Woodtipong Moleechad
Chairman of Audit Committee

Financial Positions and Operating Performance

Key Financial Information

Statements of Financial Position

Item	Consolidated financial statements					
	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
<u>Current Assets</u>						
Cash and cash equivalents	226.2	21.3%	746.5	48.0%	731.8	38.5%
Short-term investments	4.1	0.4%	4.1	0.3%	-	0.0%
Trade and other receivables, net	508.3	47.8%	406.2	26.1%	419.8	22.1%
Short-term loans to related parties	1.4	0.1%	2.3	0.1%	2.3	0.1%
Short-term loan to third parties	1.3	0.1%	-	0.0%	-	0.0%
Current portion of finance lease receivables, net	-	0.0%	-	0.0%	0.8	0.0%
Inventories	1.4	0.1%	1.6	0.1%	1.6	0.1%
Other current assets	19.4	1.8%	21.5	1.4%	23.6	1.2%
Total current assets	762.1	71.6%	1,182.2	76.0%	1,180.0	62.1%
<u>Non-current assets</u>						
Restricted bank deposits	0.1	0.0%	-	0.0%	-	0.0%
Finance lease receivables, net	-	0.0%	-	0.0%	1.0	0.1%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%
Investments in associates	21.9	2.1%	21.9	1.4%	32.6	1.7%
Investments in joint ventures	16.4	1.5%	16	1.0%	292.0	15.4%
Other long-term investments	0	0.0%	0	0.0%	0.0	0.0%
Long-term loans to related parties	8.8	0.8%	-	0.0%	-	0.0%
Property, plant and equipment, net	195	18.3%	254.1	16.3%	239.2	12.6%
Intangible assets, net	4.5	0.4%	10.4	0.7%	13.7	0.7%
Deferred tax assets	4.8	0.5%	10.3	0.7%	15.5	0.8%
Deposits for securing contracts	33.9	3.2%	42.6	2.7%	41.4	2.2%
Other non-current assets	16.2	1.5%	18.1	1.2%	84.1	4.4%
Total non-current assets	301.7	28.4%	373.4	24.0%	719.5	37.9%
Total assets	1,063.8	100.0%	1,555.6	100.0%	1,899.5	100.0%

Item	Consolidated financial statements					
	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	45.5	6.3%	4.7	1.1%	-	0.0%
Trade and other payables	585.2	81.0%	332.5	75.5%	443.0	63.5%
Current portion of contingent consideration paid for investment in a joint venture, net	-	0.0%	-	0.0%	70.0	10.0%
Current portion of long-term loans from financial institutions, net	8.7	1.2%	6.6	1.5%	1.9	0.3%
Current portion of finance lease liabilities, net	6.8	0.9%	9.2	2.1%	11.3	1.6%
Other current liabilities	24.3	3.4%	35.1	8.0%	39.2	5.6%
Total current liabilities	670.5	92.8%	388.2	88.1%	565.3	81.0%
Non-current liabilities						
Contingent consideration paid for investment in a joint venture, net	-	0.0%	-	0.0%	71.8	10.3%
Long-term loans from financial institutions	8.2	1.1%	1.8	0.4%	-	0.0%
Finance lease liabilities, net	17.5	2.4%	21.2	4.8%	19.9	2.9%
Employee benefit obligations	19.8	2.7%	23.3	5.3%	31.6	4.5%
Other non-current liabilities	6.5	0.9%	6.1	1.4%	9.0	1.3%
Total non-current liabilities	52.1	7.2%	52.4	11.9%	132.3	19.0%
Total liabilities	722.5	100.0%	440.6	100.0%	697.6	100.0%
Equity						
Share capital						
Authorised share capital	215.0		307.5		307.5	
Issued and paid-up share capital	215.0	20.2%	302.3	19.4%	302.3	15.9%
Share premium, net	-	0.0%	688.0	44.2%	688.0	36.2%
Surplus from business combination under common control	30.7	2.9%	30.7	2.0%	30.7	1.6%
Surplus from share-based payments	18.8	1.8%	19.2	1.2%	20.5	1.1%
Discount from changes in shareholding of subsidiary	(0.2)	(0.0%)	(0.2)	(0.0%)	(0.2)	(0.0%)
Retained earnings						
Appropriated - Legal reserve	2.4	0.2%	14.4	0.9%	21.4	1.1%
Unappropriated	75.0	7.0%	63.5	4.1%	142.1	7.5%
Other components of equity	(0.4)	(0.0%)	(2.9)	(0.2%)	(2.9)	(0.2%)
Equity attributable to owners of the parent	341.2	32.1%	1,115.0	71.7%	1,201.9	63.3%
Non-controlling interests	-	0.0%	-	0.0%	-	0.0%
Total equity	341.2	32.1%	1,115.0	71.7%	1,201.9	63.3%
Total liabilities and equity	1,063.8	100.0%	1,555.6	100.0%	1,899.5	100.0%

Statements of Comprehensive Income

Item	Consolidated financial statements					
	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from services	2,051.3	98.8%	2,272.0	99.0%	2,759.0	99.6%
Revenues from sales	24.2	1.2%	22.6	1.0%	11.6	0.4%
Costs of services	(1,606.3)	(77.4%)	(1,755.2)	(76.5%)	(2,282.9)	(82.4%)
Costs of sales	(4.0)	(0.2%)	(7.9)	(0.3%)	(3.0)	(0.1%)
Gross profit	465.3	22.4%	531.4	23.2%	484.6	17.5%
Other income	24.7	1.2%	15.5	0.7%	18.4	0.7%
Selling expenses	(115.7)	(5.6%)	(110.9)	(4.8%)	(77.2)	(2.8%)
Administrative expenses	(260.4)	(12.5%)	(281.0)	(12.2%)	(295.0)	(10.6%)
Gain (loss) on exchange rates, net	(3.4)	(0.2%)	(10.2)	(0.4%)	7.0	0.3%
Finance costs	(4.9)	(0.2%)	(5.6)	(0.2%)	(1.9)	(0.1%)
Share of profits (loss) from investments in associates and joint ventures	14.2	0.7%	16.7	0.7%	33.1	1.2%
Profit before income tax	119.8	5.8%	155.9	6.8%	169.1	6.1%
Income tax expense	(25.3)	(1.2%)	(26.3)	(1.1%)	(18.4)	(0.7%)
Profit for the period	94.5	4.6%	129.6	5.6%	150.7	5.4%
Other comprehensive income (loss):						
Items that will not be reclassified subsequently to profit and loss						
Remeasurement of post-employment benefit obligations	-	0.0%	-	0.0%	0.9	0.0%
Share of other comprehensive income of associates and joint ventures, net of tax accounted for using the equity method	-	0.0%	-	0.0%	0.7	0.0%
Income tax relating to items that will not be reclassified	-	0.0%	-	0.0%	(0.2)	(0.0%)
Total items that will not be reclassified subsequently to profit or loss	-	0.0%	-	0.0%	1.4	0.1%
Items that will be reclassified subsequently to profit and loss						
Currency translation differences	(0.5)	0.0%	(2.5)	(0.1%)	0.0	0.0%
Total items that will be reclassified subsequently to profit or loss	(0.5)	0.0%	(2.5)	(0.1%)	0.0	0.0%
Other comprehensive income (expense) for the year, net of tax	(0.5)	0.0%	(2.5)	(0.1%)	1.4	0.1%
Total comprehensive income for the year	94.0	4.5%	127.1	5.5%	152.1	5.5%
Profit attributable to:						
Owners of the parent	89.4	4.3%	129.6	5.6%	150.7	5.4%
Non-controlling interests	5.1	0.2%	-	0.0%	-	0.0%
	94.5	4.6%	129.6	5.6%	150.7	5.4%
Total comprehensive income attributable to:						
Owners of the parent	89.0	4.3%	127.1	5.5%	152.1	5.5%
Non-controlling interests	5.0	0.2%	-	0.0%	-	0.0%
	94.0	4.5%	127.1	5.5%	152.1	5.5%
Earnings (loss) per share attributable to owners of the parent						
Basic earnings (loss) per share (Baht) /1	0.208		0.263		0.249	

Remark : 1/ Basic earnings per share is calculated by net income dividing by weighted average common shares outstanding.

Statements of Cash Flows

Item	Consolidated financial statements		
	2016	2017	2018
	Million Baht	Million Baht	Million Baht
<u>Cash flows from operating activities</u>			
Profit before income tax	119.8	155.9	169.1
Adjustments for:			
Depreciation and amortisation	32.7	41.4	48.1
Share of profit from investments in associates and joint ventures	(14.2)	(16.7)	(33.1)
(Gain) loss from dissolution of subsidiaries and associate	-	1.0	-
Gain on sales of equipment	(8.9)	(0.2)	(4.0)
Loss from write-offs of assets	0.2	0.2	0.4
Employment benefit obligations	5.3	3.5	9.8
Allowance (reversal of allowance) for doubtful accounts	6.3	0.5	(0.2)
Unrealised gain on foreign exchange rate	-	-	(3.3)
Interest income	(0.1)	(2.6)	(6.2)
Dividend income	-	-	-
Expenses relating to share-based payments	0.6	0.4	1.3
Amortisation of deferred interest on finance leases	1.2	1.9	1.3
Finance costs	3.6	3.7	0.5
Profit from operating activities before adjustment of changes in operating assets and liabilities	146.7	188.9	183.9
<u>Changes in working capital</u>			
Operating assets decrease (increase)			
Trade and other receivables, net	(102.1)	129.8	(10.9)
Inventories	0.1	(0.2)	(0.0)
Other current assets	(4.8)	(4.4)	1.2
Retentions	-	-	(2.1)
Other non-current assets	10.8	(6.1)	(42.6)
Operating liabilities increase (decrease)			
Trade and other payables	103.7	(283.3)	114.1
Other current liabilities	7.6	8.4	0.3
Employment benefit obligations	-	-	(0.6)
Other non-current liabilities	1.1	(0.1)	2.9
Cash flows from operating activities	163.1	33.1	246.1
Income tax paid	(22.4)	(30.2)	(43.6)
Net cash generated from (used in) operating activities	140.7	2.8	202.5

Item	Consolidated financial statements		
	2016	2017	2018
	Million Baht	Million Baht	Million Baht
<u>Cash flows from investing activities</u>			
Interest income received	2.5	2.7	6.5
Proceeds from sales of equipment	15.3	2.0	6.7
Payments for purchases of equipment and intangible assets	(29.5)	(90.0)	(35.0)
Proceeds from dissolution of investments in subsidiaries	0.5	1.6	-
Payments for investments in subsidiaries	(0.2)	-	-
Payment for investments in associates and joint ventures	(0.5)	(1.5)	(126.1)
Proceeds from short-term loans to related parties	21.8	2.9	-
Payment for short-term loans to related parties	(11.5)	(3.8)	-
Payment for short-term loans to third parties	(1.3)	-	-
Proceeds from short-term loans to third parties	-	1.3	-
Payment for long-term loans to related parties	(8.8)	-	-
Proceeds from long-term loans to related parties	4.8	8.8	-
Payment for restricted deposits	15.2	-	-
Net received from short-term investments	(0.9)	-	4.1
Dividends received in cash from subsidiaries, associates, and joint ventures	1.4	16.1	16.8
Net cash used in investing activities	8.9	(59.8)	(127.0)
<u>Cash flows from financing activities</u>			
Interest paid	(5.6)	(6.3)	(0.5)
(Decrease) increase in bank overdrafts and short-term loans from financial institutions	24.3	(40.8)	(4.7)
Decrease in finance lease liabilities	(11.9)	(9.3)	(11.8)
Repayment of short-term loans from related parties	(18.1)	(60.0)	-
Proceeds from short-term loans from related parties	4.9	60.0	-
Repayments of long-term loans from financial institutions	(16.2)	(8.5)	(6.6)
Proceeds from increase in share capital, net	-	775.2	-
Payment for capital to non-controlling interest from dissolution of subsidiaries	(2.7)	-	-
Dividends paid	-	(129.1)	(66.4)
Net cash receipts from (used in) financing activities	(25.4)	581.4	(90.0)
Net increase (decrease) in cash and cash equivalents	124.2	524.5	(14.5)
Cash and cash equivalents at the beginning of the year	103.1	226.2	746.5
Currency translation differences	(1.1)	(4.2)	(0.1)
Cash and cash equivalents at the ending of the year	226.2	746.5	731.8

Key Financial Ratios

Key Financial Ratios	Unit	Consolidated financial statements		
		2016	2017	2018
<u>Liquidity Ratio</u>				
Current ratio	(times)	1.1	3.1	2.1
Quick ratio	(times)	1.1	3.0	2.0
Cash flow liquidity ratio	(times)	0.3	0.1	0.5
Account receivable turnover	(times)	6.0	6.3	8.6
Average collection period	(days)	60.5	56.9	42.1
Inventory turnover ^{1/}	(times)	2.7	5.2	1.9
Average inventory period ^{1/}	(days)	131.8	69.4	192.2
Account payable turnover	(times)	3.0	3.8	5.9
Payment period	(days)	119.6	93.7	61.1
Cash Cycle ^{2/}	(days)	(59.2)	(36.8)	(19.0)
<u>Profitability Ratio</u>				
Gross profit margin	%	22.4%	23.2%	17.5%
Operating profit margin	%	4.1%	5.6%	4.3%
EBITDA margin	%	7.5%	8.8%	7.9%
Other profit margin	%	1.2%	0.7%	0.7%
Cash to profit margin	%	190.0%	25.6%	206.0%
Net profit margin	%	4.5%	5.6%	5.4%
Return on equity ^{3/}	%	32.0%	17.8%	13.0%
<u>Efficiency Ratio</u>				
Return on assets	%	9.9%	9.9%	8.7%
Return on fixed assets	%	67.0%	76.2%	80.6%
Assets turnover	(times)	2.2	1.8	1.6
<u>Financial Policy Ratio</u>				
Debt to equity ratio	(times)	2.1	0.4	0.6
Interest coverage ratio	(times)	39.7	11.7	142.9
Debt service coverage ratio (Cash Basis)	(times)	2.0	0.1	1.0
Dividend payout ratio ^{4/}	%	100.0% ^{5/}	51.3%	68.5%

- Remarks :
- 1/ Inventories is not a significant item to the Company's business as it focuses on provision of services.
 - 2/ Exclusive of average inventory turnover as it is not a significant item to the Company's business.
 - 3/ Calculated as net income dividing by average shareholders' equity. Return on equity for the year 2016 and 2017 are calculated using shareholders' equity prior to listing of the Company's shares on the Stock Exchange of Thailand.
 - 4/ Calculated from dividend paid from net profit in the same period
 - 5/ Dividend paid in 2016 comes from retained earnings and operating net profit of 2016, which was before listing on the Stock Exchange of Thailand

Management Discussion and Analysis

Overview of the Company's Financial Performance

Unit: Million Baht	2017	2018	% change + / (-)
Revenues from services and sales	2,294.6	2,770.6	20.7%
Costs of services and sales	1,763.1	2,286.0	29.7%
Gross profit	531.4	484.6	(8.8%)
Gross profit margin (%)	23.2%	17.5%	(5.7%)
Other income	15.5	18.4	19.1%
Selling expenses	110.9	77.2	(30.4%)
Administrative expenses	281.0	295.0	5.0%
Gain (loss) on exchange rates, net	(10.2)	7.0	168.6%
Share of profits from investments in associates and joint ventures	16.7	33.1	98.2%
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	202.9	219.1	8.0%
Net profit attributable to owners of the parent	129.6	150.7	16.2%
Net profit margin (%)	5.6%	5.4%	(0.2%)

The Company's revenues in 2018 has increased by 20.7% year-on-year resulting in total revenues of Baht 2,770.6 million. Gross profit in 2018 is Baht 484.6 million or equivalent to gross profit margin of 17.5%. The gross profit margin has decreased due to account reclassification ("selling expenses" has been changed to "costs of sales and services"). In line with such reclassification, selling expenses has significantly decreased by 30.4% year-on-year.

Other factors contributing to the decrease in gross profit margin include strengthening of Thai Baht against United States dollars in the first half of the year and write-off of accrued costs during the first six-month of the year 2017.

Due to effective cost management, the Company's administrative expenses has increased by 5.0% year-on-year only. In the second half of the year, the Company managed its exchange rate risk through hedging. As a result, the Company has gain on exchange rates in the amount of Baht 7.0 million in the year 2018. In addition, share of profits from investments in associates and joint ventures has increased from Baht 16.7 million in 2017 to Baht 33.1 million 2018. Hence, net profit of the year 2018 has increased by over 16.2% year-on-year to Baht 150.7 million.

Operating Performance by Business Group

Business Group	Revenues (Million Baht)		% change	% Total Revenues	Gross Profit		% change
	2017	2018	+ / (-)		2017	2018	+ / (-)
1. Air freight business	1,863.9	2,279.6	22.3%	73.3%	320.7	249.9	(22.1%)
2. Sea freight and inland transport business	87.0	116.6	34.0%	3.8%	38.5	71.7	86.2%
3. Logistics management business	105.4	135.0	28.1%	4.3%	37.1	36.1	(2.7%)
4. Chemical and dangerous goods logistics business	539.7	561.9	4.1%	18.1%	142.1	132.9	(6.5%)
5. Other businesses	14.8	15.1	2.0%	0.5%	4.9	4.8	(2.0%)
Total	2,610.8	3,108.2	19.1%	100.0%	543.3	495.4	(8.8%)
Related party transactions	316.2	337.6			11.9	10.8	
Total – net of related party transactions	2,294.6	2,770.6	20.7%		531.4	484.6	(8.8%)

Based on revenues generated by each business group compared to the Group's total revenues (prior to deduction of related party transactions), the most revenue generating business of the Group is air freight business. The proportion of revenues from sales and services generated from air freight business (prior to deduction of related party transactions) is 73.3%. Chemical and dangerous goods logistics business is the second most revenue generating business with 18.1% of the total revenues generated from the business. Logistics management business ranks third with 4.3% of the total revenues generated from the business. Revenues from sea freight and inland transport business accounts for 3.8% of the total revenues of the Group.

In respect of gross profit, air freight business has the highest gross profit which is in line with its revenues. Chemical and dangerous goods logistics business generates the second-highest gross profit. Sea freight and inland transport business has the highest growth in gross profit with growth rate of 86.1% compared to that of the previous year. Sea freight and inland transport business ranks third in generation of gross profit although it generates the lowest revenues among the Group's business.

Operating Performance by Business Group

Gross profit and gross profit margin by business group under consolidated financial statements are as follows:

	2016		2017		2018	
	Million Baht	Gross Profit Margin	Million Baht	Gross Profit Margin	Million Baht	Gross Profit Margin
1) Air freight business	241.5	13.8%	320.7	17.2%	249.9	11.0%
2) Sea freight and inland transport business	33.3	40.0%	38.5	44.3%	71.7	61.5%
3) Logistics management business	64.8	53.5%	37.1	35.2%	36.1	26.7%
4) Chemical and dangerous goods logistics business	134.4	29.7%	142.1	26.3%	132.9	23.6%
5) Other businesses	5.4	35.4%	4.9	33.1%	4.8	31.5%
Deduct related party transactions	(14.1)		(11.9)		(10.7)	
Total	465.3	22.2%	531.4	23.0%	484.6	17.5%

1) Air freight business

Summary on sale volumes of air freight and warehouse rental at Donmuang Airport

	Unit	Service Volume		
		2016	2017	2018
1. Wholesale air freight forwarder	tons	30,081	26,884	18,444
2. General sales agent for airlines	tons	34,192	57,774	71,779
3. Warehouse operator and other related services at Donmuang Airport	tons	-	-	89,386

Freight cost for wholesale air freight forwarder business is charged per kilogram according to the market rate. Service volume of wholesale air freight forwarder business has decreased from 26,884 tons in the year 2017 to 18,444 tons in the year 2018 or a decrease of 31.4% year-on-year. The decrease was mainly due to decrease in local air freight volume of a major customer who could not comply with air cargo standards since Quarter 3 of the year 2017. The local air freight volume has decreased from 9,688 tons in the year 2017 to 2,186 tons in the year 2018.

General sales agent for airlines business continues to grow. The freight volume of such business has increased from 57,774 tons in the year 2017 to 71,779 tons in the year 2018, or a growth rate of 24.2%. The growth was due to increase in international air freight volume in line with expansion of routes and increase in number of flights operated by airlines, particularly Thai AirAsia and Thai AirAsia X. In addition, the growing e-commerce market contributes to the increase in freight volume of the general sales agent for airlines business.

In respect of warehouse operator business at Donmuang Airport, the Company has been appointed as international cargo warehouse operator at Donmuang Airport since Quarter 4 of the year 2017. The concession period is 5 years. The Company has repaired and leased additional area of 5,427 square meters to provide international cargo warehouse. The business operation has started since 1 January 2018. International cargo warehouse business has been well received. Service volume in the business continues to increase quarterly and total service volume in the year 2018 is 89,386 tons.

Summary on revenues from air freight business

Revenues from air freight business consists of revenues from 3 main services:

- 1) Revenues from wholesale air freight forwarder business
- 2) Revenues from general sales agent for airlines business
- 3) Revenues from warehouse operator and other related services at Donmuang Airport

Air freight business is the most revenue generating business of the Group. Revenues from the business accounts for 73.3% of the total revenues. In the year 2018, revenues from air freight business is Baht 2,279.6 million, an increase of 22.3% year-on-year due to increase in service volume, particularly service volume of general sales agent for airlines business and revenues from new international cargo warehouse at Donmuang Airport which has been operated since January 2018. The new international cargo is a supplementary business of GSA business as customers of GSA business also use international cargo warehouse service.

Gross profit of air freight business

Gross profit in the year 2018 is Baht 249.9 million, a decrease of 22.1% year-on-year due to account reclassification ("selling expenses" has been changed to "costs of sales and services") and increased cost of service, strengthening of Thai Baht against United States dollars, and write-off of accrued costs during the year 2017.

In addition, the Company has expanded its international cargo warehouse business at Donmuang Airport since January 2018 and the business has generated satisfactory operating results in the second half of the year 2018. The gross profit margin is 20% in the second half of the year compared to 3% in the first half of the year.

2) Sea freight and inland transport business

Summary on sale and service volumes of sea freight and inland transport business

	Unit	Service Volume		
		2016	2017	2018
1. Shipping lines agency and management service	TEU ¹	40,063	59,951	91,189
2. Inland container transport	trips	3	1,375	7,453

Remark ¹ TEU stands for twenty-foot equivalent unit, a standard unit for measuring a ship's cargo carrying capacity.

The service volume of shipping lines agency and management service business was 59,951 TEU in the year 2017 and has increased to 91,189 TEU in the year 2018 or an increase of 52.1%. The increase was due to the appointment of the Company as agent of China's Rizhao Shipping Lines, the business of which the Company has provided full services since January 2018. The appointment as agent of Rizhao Shipping Lines has resulted in increasing volume of sea freight service provided by the Company. During the second half of the year 2018, the number of containers has increased from 300 containers per week to 500 containers per week. There is a continuous growth in revenues from sea freight business, illustrating outstanding performance of the business in the year 2018.

In respect of inland container transport, the Company has been providing the service since the first quarter of the year 2017. The Company had 1,375 trips of inland container transport in 2017 and the number of trips has increased to 7,453 trips in 2018 or a growth rate of 4.4 times year-on-year.

Summary on revenues from sea freight and inland transport business

There is an exponential growth in sea freight and inland transport business. The Company generates Baht 116.6 million of revenues from sea freight and inland transport business in the year 2018, an increase of 34.1% year-on-year as a result of appointment as agent of China's Rizhao Port (Hong Kong) Shipping. The Company has started providing service as agent of Rizhao Port (Hong Kong) Shipping since middle of December 2017.

Gross profit of sea freight and inland transport business

In the year 2018, gross profit of sea freight and inland transport business is Baht 71.7 million, an increase of 86.2% year-on-year. The increase in gross profit was consistent with increase in revenues and service volume from the aforementioned shipping line. The gross profit margin of the business is 61.5%. Apart from the Group's operations, gross profit of sea freight and inland transport business also includes share of profits from investments in joint ventures, namely CK Line (Thailand) Co., Ltd. and ECU Worldwide (Thailand) Co., Ltd. The share of profits from such investments has increased year-on-year.

3) Logistics management business

Summary on volume of logistics management business

	Unit	Service Volume		
		2016	2017	2018
1. Sea freight management	TEU	1,733	744	2,367
2. Air freight management	tons	628	505	639
3. Supply chain management	transactions	225,000	97,683	144,909
4. Warehouse and inventory management	square meters/month	1,200	4,347	3,496

The volume of sea freight management service has increased from 744 TEU in the year 2017 to 2,367 TEU in the year 2018 or a growth rate of 2.2 times. The volume of air freight management service has also increased from 505 tons in the year 2017 to 639 tons in the year 2018. The increase in volume of these two services was due to ability of sales team in securing additional key accounts.

The volume of supply chain management service has increased by 48.3% compared to that of the year 2017 to 144,909 transactions in the year 2018. The growth in volume was due to increase in the number of e-commerce customers.

The Company has decreased its service area for warehouse and inventory management from 4,367 square meter/month in the year 2017 to 3,496 square meter/month through streamlining of its operation process. The streamline process, as part of the Company's cost reduction program, involves combining two warehouses into one warehouse in order to eliminate area which is not fully utilized

Summary on revenues from logistics management business

Revenues from logistics management business in the year 2018 is Baht 135.0 million, an increase of 28.1% year-on-year. The increase in revenues was due to increase in volume of both logistics management and warehouse services.

Gross profit of logistics management business

The Company has adjusted its operational structure in order to reduce unnecessary costs from warehouse business. Gross profit of the business in the year 2018 is equivalent to Baht 36.1 million, a slight decrease compared to that of the previous year.

4) Chemical and dangerous goods logistics business

Summary on volume of chemical and dangerous goods logistics business

	Unit	Service Volume		
		2016	2017	2018
1. Sea freight management	TEU	4,449	6,577	7,786
2. Air freight management	kilograms	123,183	167,307	216,329
3. Tank container logistics service	TEU	4,429	4,491	5,173
4. Warehouse and inventory management	Pallet ¹	14,137	21,454	21,454
5. Packaging service	transactions	2,859	4,184	2,867
6. Sale of packaging	boxes	22,274	19,057	12,083

Remark ¹Pallet means a portable platform on which goods can be moved, stacked, and stored and is a standard unit for inventory count.

The Group provides integrated chemical and dangerous goods logistics service through sea and air freight, offering normal containers or tank containers (for liquid), warehouse and inventory management for chemical and dangerous goods, packaging service for dangerous goods ensuring that the products meet the required standards for sea and air transport, and distribution of chemical and dangerous goods packaging.

The volume of sea freight management service for chemical and dangerous goods continues to increase from 6,577 TEU in the year 2017 to 7,786 TEU in the year 2018, while the volume of air freight management service for chemical and dangerous goods continues to increase from 167,307 kilograms in the year 2017 to 216,329 kilograms in the year 2018. The increase in service volume of these businesses was due to increasing number of customers from integrated management with other business groups such as Rizhao Shipping Line and air freight business.

Similarly, the volume of tank container transportation for liquid chemical continues to increase. The volume of tank container transportation has expanded from 4,491 TEU in the year 2017 to 5,173 TEU in the year 2018, or at a growth rate of 15.2%

The volume of warehouse and inventory management service for chemical and dangerous goods remains constant at 21,454 Pallet in the year 2017 and 2018. This was due to maintaining of warehouse area and warehouse utilization rate at a high level.

The volumes of distribution of packaging for dangerous goods and chemical and packaging service for chemical and dangerous goods in the year 2018 decreases from the year 2017 of 36.6% and 31.5% respectively. The decrease in volumes was due to increased competition and some key customers have changed from using UN dangerous goods and chemical packaging to LQ dangerous goods and chemical packaging.

Summary on revenues from chemical and dangerous goods logistics business

Dangerous goods and chemical logistics business is the second most revenue generating business of the Group. Revenues from this business accounts for 18.1% of the total revenues or equivalent to Baht 561.9 million, or an increase of 4.1% year-on-year, in line with growth in volume of dangerous goods and chemical logistics service.

Gross profits of chemical and dangerous goods logistics business

Gross profit in the year 2018 is Baht 132.9 million, a slight decrease compared to that of the previous year. The decrease in gross profit was due to decrease in projects by DG Packaging (Thailand) Co., Ltd., which is a high gross profit margin business. Chemical and dangerous goods logistics business also includes the Group's joint venture called DG Packaging Pte Ltd. The Company invested and has recorded share of profits from the investment since second half of the year 2018.

5) Other management services

Summary on revenues from other management services

	Amount (Million Baht)		
	2016	2017	2018
1. Rental and service income relating to property lease	15.3	14.8	15.1
Total	15.3	14.8	15.1

Rental and service income includes income from leasing TLG's office building at Triple i Building at 628 Soi Klab Chom, Nonsee Road to the Company's associates, joint ventures and third parties. The total lease area is 1,130 square meters.

Gross profit of other management services

Gross profit of other management services according to the consolidated financial statements in the year 2017 and 2018 is Baht 4.9 million and Baht 4.8 million respectively, or equivalent to gross profit margin of 33.1% and 31.5% respectively.

6) Other income

The Company's other income in the year 2017 and 2018 is Baht 15.5 million and Baht 18.4 million respectively. Examples of other income are rental, interest income and other income. In the year 2018, other income includes interest income in the amount of Baht 6.2 million, management service income in the amount of Baht 4.6 million, profit from sale in the amount of equipment of Baht 4.0 million, and other income in the amount of Baht 3.6 million.

Selling and administrative expenses

Selling and administrative expenses of the Group in the year 2017 and 2018 is Baht 391.9 million and Baht 372.2 million respectively. The selling and administrative expenses in the year 2018 has decreased by 5.1% year-on-year. The selling and administrative expenses accounts for 17.1% and 13.4% of the revenues from sales and services in the year 2017 and 2018 respectively. The percentage to revenues has mainly decreased due to account reclassification (“selling expenses” has been changed to “costs of sales and services”) and the Company is able to manage cost efficiently than the growth in revenues.

Gain (loss) on exchange rates

In the year 2017 and 2018, the Company’s loss on exchange rates is Baht 10.2 million and gain on exchange rates is Baht 7.0 million respectively. This was due to receipt of part of the Company’s service income in foreign currencies, particularly in US Dollars. Due to the strengthening of Thai Baht, the Company incurred loss on exchange rates. In addition, the loss of Baht 10.2 million was mainly due to payment of long overdue trade payables in foreign country. However, the Company has implemented a measure to prevent exchange rate risk through hedging in the year 2018. As a result, the Company incurred gain on exchange rates in the amount of Baht 7.0 million in the year 2018.

Gain (loss) on investments in associates and joint ventures

In the year 2017 and 2018, the Company’s gains on investments in associates and joint ventures is Baht 16.7 million and Baht 33.1 million respectively. The Company acquired 50% shareholding in DG Packaging Pte. Ltd. in Singapore on 2 July 2018. DG Packaging Pte. Ltd. operates distribution of dangerous goods packaging and packaging service for dangerous goods transportation business. The Company has recorded share of profits from investment since Quarter 3 of the year 2018. The share of profits from such investment is Baht 10.9 million in the year 2018.

In addition, operating results of the Company’s other associates and joint ventures continue to grow, particularly ECU, CKT, and ECA-BKK.

Finance costs

In the year 2017 and 2018, the Company’s finance costs is Baht 5.6 million and Baht 1.9 million respectively. The decrease in finance costs was due to partial repayment of loans from financial institutions using IPO proceeds. The outstanding finance costs are costs of the Company’s finance lease.

Net profit

Net profit of the Company for the year 2017 and 2018 is Baht 129.6 million and Baht 150.7 million respectively, or equivalent to 5.6% and 5.4% net profit margin respectively. The net profit continues to grow due to expansion of revenues and services provided by the Group. Net profit growth is constant as the Group expands to new businesses and invests in joint ventures.

Analysis on Financial Positions

Assets

	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Current assets	762.1	71.6	1,182.2	76.0	1,180.0	62.1
Non-current assets	301.7	28.4	373.4	24.0	719.5	37.9
Total assets	1,063.8	100.0	1,555.6	100.0	1,899.5	100.0



As of 31 December 2017 and 31 December 2018, the Company's total assets is Baht 1,555.6 million and Baht 1,899.5 million respectively. The total assets as of 31 December 2018 has increased by Baht 343.9 million compared to that of the previous year, or 22.1% increase year-on-year.

During the year 2018, the significant change in the Company's total assets includes the increase in investment in joint venture in the amount of Baht 276.0 million. The increase was due to the acquisition of 50% shareholding in DG Packaging Pte. Ltd. in Singapore at the investment amount of Baht 267.8 million.

In addition, other advance payment has increased by Baht 43.0 million from expansion of international cargo warehouse at Donmuang Airport.

Trade and other receivables

Trade and other receivables consist of trade receivables from logistics business, prepaid expenses, accrued income, other receivables, related party trade receivables, and dividend receivable from related party. As of 31 December 2017 and 31 December 2018, the Company's net trade and other receivables is Baht 406.2 million, and Baht 419.8 million respectively. The net trade and other receivables as of 31 December 2018 has increased by Baht 13.6 million compared to that of the previous year or an increase of 3.3% year-on-year.

Majority of trade receivables – third parties is outstanding for less than 3-month period. This is consistent with the average collection period of the Group. As of 31 December 2017 and 31 December 2018, the average collection period is equivalent to 56.9 days and 42.1 days respectively, which is considered a normal collection period.

The Company has set Allowance for Doubtful Accounts Policy by considering the period of outstanding receivables and financial positions of customers. The Company has recorded allowance for doubtful account at the rate of 2.5%, and 2.5% of trade receivables – other parties as at the end of 2017 and 2018 respectively.

During the year 2018, trade and other receivables has slightly increased due to increase in accrued income and related party trade receivables in the amount of Baht 10.2 million and Baht 4.1 million respectively.

Property, plant and equipment – net

As of 31 December 2017 and 31 December 2018, property, plant and equipment – net is Baht 254.1 million and Baht 239.2 million respectively. Property, plant and equipment – net as of 31 December 2018 has decreased by Baht 15.0 million compared to that of the previous year or 5.9% decrease year-on-year.

During the year 2018, the Company invested motor vehicles and equipment in the amount of Baht 14.2 million and office equipment in the amount of Baht 13.8 million.

Investments in associates and joint ventures

As of 31 December 2017 and 31 December 2018, investments in associates and joint ventures is Baht 37.9 million and Baht 324.6 million respectively. There was a significant change in investments in associates and joint ventures during the year 2018 as the Company invested in 50% shareholding in DG Packaging Pte. Ltd. in Singapore in the amount of Baht 267.8 million.

Liabilities

	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Current liabilities	670.5	92.8	388.2	88.1	565.3	81.0
Non-current liabilities	52.1	7.2	52.4	11.9	132.3	19.0
Total liabilities	722.5	100.0	440.6	100.0	697.6	100.0

As of 31 December 2017 and 31 December 2018, total liabilities is Baht 440.6 million and Baht 697.3 million respectively. The total liabilities as of 31 December 2018 has increased by Baht 257.0 million compared to that of the previous year or 58.3% increase year-on-year.

During the year 2018, the significant change to the Company's total liabilities include consideration payable for investment in the amount of Baht 141.8 million from investment in DG Packaging Pte. Ltd.

Trade and other payables

	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade payables	487.4	83.3	223.3	67.2	315.2	71.2
Trade payables – related parties	6.1	1.0	4.4	1.3	6.3	1.4
Accrued expenses	91.7	15.7	104.8	31.5	121.5	27.4
Trade and other payables – net	585.2	100.0	332.5	100.0	443.0	100.0

As of 31 December 2017 and 31 December 2018, the Company's trade and other payables is Baht 332.5 million and Baht 443.0 million respectively. The trade and other payables as of 31 December 2018 has increased by Baht 110.5 million compared to that of the previous year or a 33.2% increase year-on-year. The average payment period of the Company as of 31 December 2017 and 31 December 2018 is 93.7 days and 61.1 days respectively

Equity

As of 31 December 2017 and 31 December 2018, the Company's shareholders' equity is Baht 1,115.0 million and Baht 1,201.9 million respectively. The shareholders' equity as of 31 December 2018 has increased by Baht 86.9 million compared to that of the previous year, or 7.8% increase year-on-year in line with the Company's operating performance in the year 2018. In May 2018, the Company paid dividend in the amount of Baht 66.50 million.

Liquidity Analysis

Set out below is information on the Company's cash flows:

	Consolidated financial statements		
	2016	2017	2018
Net cash generated from (used in) operating activities	140.7	2.8	202.5
Net cash receipts from (used in) investing activities	8.9	(59.8)	(127.0)
Net cash receipts from (used in) financing activities	(25.4)	581.4	(90.0)
Net increase (decrease) in cash and cash equivalents	124.2	524.5	(14.5)
Cash and cash equivalents at the beginning of the year	103.1	226.2	746.5
Currency translation differences	(1.1)	(4.2)	(0.1)
Cash and cash equivalents at the ending of the year	226.2	746.5	731.8

Cash flows from operating activities

In 2017 and 2018, the Company's net cash flows generated from (used in) operating activities is Baht 2.8 million and Baht 202.5 million respectively.

During the year 2018, the net cash flows generated from operating activities significantly has increased due to increase in trade and other payables by Baht 114.1 million and increase in profit before income tax from Baht 155.9 million in the year 2017 to Baht 169.1 million in the year 2018.

Cash flows from investing activities

In 2017 and 2018, the Company's net cash receipts from (used in) investing activities is Baht (59.8) million and Baht (127.0) million respectively.

During the year 2018, the major items of cash flows from (used in) investing activities were payment for investment in associates and joint ventures in the amount of Baht 126.1 million, payment for purchase of building equipment and intangible assets in the amount of Baht 35.0 million, and receipt of dividends from subsidiaries, associates and joint ventures in the amount of Baht 16.8 million.

Cash flows from financing activities

In 2017 and 2018, the Company's net cash receipts from (used in) financing activities is Baht 581.4 million and Baht (90.0) million respectively.

In 2018, the Company has negative net cash from financing activities which was mainly due to dividend payment by the Company in the amount of Baht 66.5 million.



Independent Auditor's Report



Independent Auditor's Report

To the shareholders of Triple i Logistics Public Company Limited

My opinion

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

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Revenue Recognition</p> <p>The Group provides a domestic and international freight forwarding service, and integrated logistics services. The Group's aggregate service revenues amounted to Baht 2,759 million, representing 99% of total revenues. Service revenues are recognised when the services have been rendered according to conditions in the service agreement, taking into account the customer's requirements as to whether the transportation is only to the origin or until the destination, as disclosed in Note 2.19 to the financial statements "Accounting policy for revenue recognition".</p> <p>I focused on the accuracy of revenue recognition by examining whether the revenue transactions were valid and were rendered in the period in which they were incurred.</p>	<p>I tested the revenue recognition of the Group by carrying out the following procedures:</p> <ul style="list-style-type: none"> - Evaluated and validated the key controls over the revenue cycle of the Group, by talking to the Group's personnel to understand the revenue cycle and internal controls, and sampling revenue transactions to validate key controls relating to the recording of revenue at the appropriate recognition point according to the service conditions. This included examining supporting documents such as the bill of lading or airway bill, and quotation, as well as examining that service invoices were reviewed and approved by an authorised person, and examining cash receipts from customers with service invoices and transactions in the bank statements. - Performed substantive tests on transactions by sampling each type of service revenue transaction to check that the Group has provided services to the customers and recorded revenue at the appropriate recognition point as per the service conditions, as well as examining the invoices with the bill of lading or airway bill to see that the transactions are valid. For revenue transactions that have been collected, cash receipt transactions were traced to invoices and transactions in the bank statements. - Sent the account receivable confirmation requests by focusing on customers with large transactions and an outstanding balance to check that the Group's revenues represent valid revenue transactions and that the accounts receivable existed. - Performed analytical procedures on the Group's revenue by each revenue type to consider whether there's irregularity in the fluctuation of revenues or not. This included testing the appropriateness of the journal entries related to revenues, including other related adjusting entries in order to assess if there were any invalid revenue transactions or not. <p>I didn't find any material exceptions from carrying out the above procedures. Revenue recognition was in accordance with accounting policy and the available evidence.</p>



Key audit matter	How my audit addressed the key audit matter
<p>Value of investment in joint venture</p> <p>As disclosed in note 10.2 - Investment in joint venture, during the year the Company acquired 50% of the registered share capital of DG Packaging Pte. Ltd. The Group's management assessed that the acquisition of such shareholdings qualified as investment in joint venture according to the definition in Thai Financial Reporting Standard no. 11 - Joint Arrangements.</p> <p>At the acquisition date, the Group recognised the investment in joint venture at cost in separate financial statements amounting to Baht 271.20 million. Cost of investment include the consideration transferred at the acquisition date, including contingent consideration paid and acquisition-related cost. The management assessed the value of the contingent consideration paid as specified in the Shares Sale and Purchase Agreement based on the probability of the future operating performance of the joint venture being achieved. The valuation of the contingent consideration paid will be discounted to the present value.</p> <p>I focused on this matter because of the magnitude of the value of investment. And, because the assessment of the contingent consideration paid based on management's judgment of the probability of the joint venture achieving the future operating according to their forecast. This may affect the value of the investment in the joint venture at the acquisition date.</p>	<p>I evaluated management's assessment that the acquisition should be accounted for as investment in joint venture and determined that they are appropriately accounted for in accordance with the requirements set out in TFRS 11, and I performed the following procedures:</p> <ul style="list-style-type: none">- I read the Shares Sale and Purchase Agreement for the investment in the joint venture, including minutes of the Board of Directors' meeting at which the investment was approved. Moreover, I made enquiries with the Company's management and financial advisor about the business rationale of this transaction.- I assessed the appropriateness of the value of contingent consideration paid at the acquisition date based on the future operating performance of the joint venture as specified in the agreement by challenging management about their assessment of the likelihood of achieving the future operating performance compared with industry forecasts. I also evaluated the appropriateness of the joint venture's business plan by comparing with the subsequent actual performance. I also compared the discount rate used to calculate the present value with the interest rate that reflects the risk specific to the Company's liabilities. <p>As a result of these procedures, I determined that the value of the investment in the joint venture was reasonable according to the supported evidences.</p>



Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

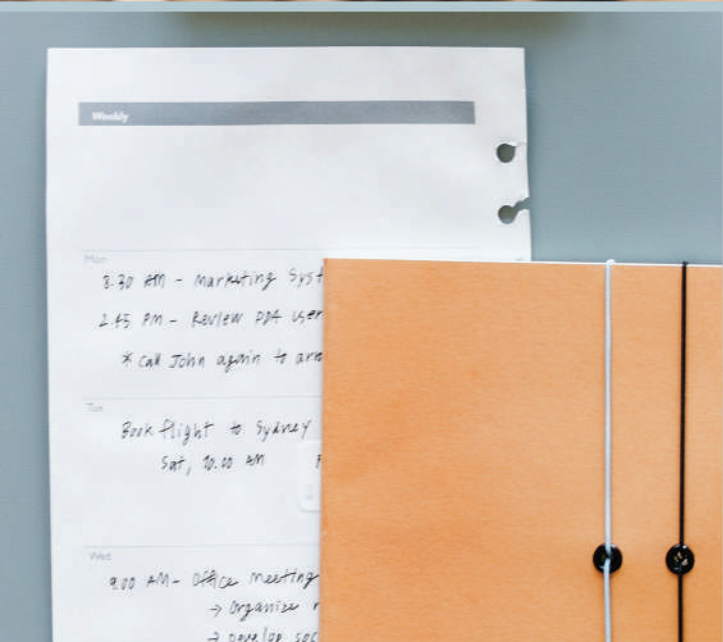
I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

PricewaterhouseCoopers ABAS Ltd.

Vichien Khingmontri
Certified Public Accountant (Thailand) No. 3977
Bangkok
26 February 2019



Consolidated and Separate Financial Statements

Triple i Logistics Public Company Limited
Statements of Financial Position
As at 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Assets					
Current Assets					
Cash and cash equivalents	6	731,821,620	746,463,152	408,229,832	582,975,952
Short-term investments		-	4,132,988	-	-
Trade and other receivables, net	7	419,813,336	406,243,208	65,860,275	83,895,912
Short-term loans to related parties	28.6	2,250,000	2,250,000	322,566,300	308,640,800
Current portion of finance lease receivables, net		841,122	-	-	-
Inventories		1,645,554	1,601,277	-	-
Other current assets	8	23,619,894	21,530,511	527,562	950,224
Total current assets		1,179,991,526	1,182,221,136	797,183,969	976,462,888
Non-current assets					
Finance lease receivables, net		1,045,958	-	-	-
Investments in subsidiaries	9	-	-	145,448,570	55,698,570
Investments in associates	10.1	32,569,704	21,890,831	5,065,215	5,065,215
Investments in joint ventures	10.2	291,992,949	15,981,014	271,385,837	187,494
Other long-term investment		13,250	13,250	-	-
Investment properties, net	11	-	-	86,172,748	90,068,699
Property, plant and equipment, net	12	239,158,039	254,123,452	16,398,022	17,555,930
Intangible assets, net	13	13,680,461	10,354,845	1,376,940	1,768,459
Deferred tax assets	14	15,497,692	10,349,447	4,657,553	1,057,010
Deposits for securing contracts		41,434,294	42,581,240	1,758,130	1,756,630
Other non-current assets	15	84,135,007	18,085,966	6,572,378	3,080,434
Total non-current assets		719,527,354	373,380,045	538,835,393	176,238,441
Total assets		1,899,518,880	1,555,601,181	1,336,019,362	1,152,701,329

The accompanying notes on pages 16 to 73 are an integral part of of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Financial Position
As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions		-	4,728,224	-	-
Trade and other payables	16	442,976,020	332,516,342	21,604,796	23,809,779
Current portion of contingent consideration paid for investment in a joint venture, net	10.2	69,980,280	-	69,980,280	-
Current portion of long-term loans from financial institutions, net	17.1	1,875,996	6,620,250	-	-
Current portion of finance lease liabilities, net	17.2	11,318,900	9,232,119	3,853,313	3,675,882
Other current liabilities	18	39,162,964	35,121,816	2,199,004	2,661,473
Total current liabilities		565,314,160	388,218,751	97,637,393	30,147,134
Non-current liabilities					
Contingent consideration paid for investment in a joint venture, net	10.2	71,798,120	-	71,798,120	-
Long-term loans from financial institutions	17.1	-	1,832,454	-	-
Finance lease liabilities, net	17.2	19,911,065	21,205,838	6,800,718	10,654,032
Employee benefit obligations	19	31,581,730	23,284,427	10,720,059	4,913,892
Other non-current liabilities		8,998,154	6,067,165	822,379	812,378
Total non-current liabilities		132,289,069	52,389,884	90,141,276	16,380,302
Total liabilities		697,603,229	440,608,635	187,778,669	46,527,436

The accompanying notes on pages 16 to 73 are an integral part of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Financial Position
As at 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	20				
Authorised share capital					
615,000,000 ordinary shares at a par value of					
Baht 0.50 each		307,500,000	307,500,000	307,500,000	307,500,000
Issued and paid-up share capital					
604,500,000 ordinary shares at a par value of					
Baht 0.50 each		302,250,000	302,250,000	302,250,000	302,250,000
Share premium, net	20	687,965,894	687,965,894	687,965,894	687,965,894
Surplus from business combination					
under common control		30,726,984	30,726,984	-	-
Surplus from share-based payments		20,539,586	19,209,586	20,539,586	19,209,586
Discount from changes in shareholding of subsidiary		(187,500)	(187,500)	-	-
Retained earnings					
Appropriated - Legal reserve	22	21,400,000	14,401,628	16,300,000	10,801,628
Unappropriated		142,114,049	63,542,208	121,185,213	85,946,785
Other components of equity		(2,893,362)	(2,916,254)	-	-
Equity attributable to owners of the parent		1,201,915,651	1,114,992,546	1,148,240,693	1,106,173,893
Non-controlling interests		-	-	-	-
Total equity		1,201,915,651	1,114,992,546	1,148,240,693	1,106,173,893
Total liabilities and equity		1,899,518,880	1,555,601,181	1,336,019,362	1,152,701,329

The accompanying notes on pages 16 to 73 are an integral part of of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenues from services		2,758,967,083	2,271,953,814	84,802,545	62,842,171
Revenues from sales		11,597,056	22,617,337	-	-
Costs of services		(2,282,914,831)	(1,755,242,277)	(49,404,936)	(20,763,889)
Costs of sales		(3,040,501)	(7,888,121)	-	-
Gross profit		484,608,807	531,440,753	35,397,609	42,078,282
Dividend income		-	-	96,726,828	212,390,691
Other income	23	18,448,701	15,484,366	54,520,354	33,794,585
Selling expenses		(77,171,225)	(110,916,019)	(7,379,284)	(5,552,966)
Administrative expenses		(294,984,867)	(281,048,180)	(76,049,991)	(66,394,737)
Gain (loss) on exchange rates, net		6,986,442	(10,186,717)	3,621,477	171,107
Finance costs	24	(1,863,499)	(5,561,837)	(568,752)	(672,628)
Share of profits from investments in associates and joint ventures	10	33,062,456	16,678,065	-	-
Profit before income tax		169,086,815	155,890,431	106,268,241	215,814,334
Income tax expense	26	(18,409,707)	(26,253,313)	3,073,146	218,225
Profit for the period		150,677,108	129,637,118	109,341,387	216,032,559
Other comprehensive income (loss):					
<i>Items that will not be reclassified subsequently to profit and loss</i>					
Remeasurement of post-employment benefit obligations		875,241	-	(2,636,984)	-
Share of other comprehensive income of associates and joint ventures, net of tax accounted for using the equity method		687,912	-	-	-
Income tax relating to items that will not be reclassified		(175,048)	-	527,397	-
Total items that will not be reclassified subsequently to profit or loss		1,388,105	-	(2,109,587)	-
<i>Items that will be reclassified subsequently to profit and loss</i>					
Currency translation differences		22,892	(2,496,912)	-	-
Total items that will be reclassified subsequently to profit or loss		22,892	(2,496,912)	-	-
Other comprehensive income (expense) for the year, net of tax		1,410,997	(2,496,912)	(2,109,587)	-
Total comprehensive income for the year		152,088,105	127,140,206	107,231,800	216,032,559

The accompanying notes on pages 16 to 73 are an integral part of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
 Statements of Comprehensive Income
 For the year ended 31 December 2018

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Profit attributable to:					
Owners of the parent		150,677,108	129,637,118	109,341,387	216,032,559
Non-controlling interests		-	-	-	-
		<u>150,677,108</u>	<u>129,637,118</u>	<u>109,341,387</u>	<u>216,032,559</u>
Total comprehensive income					
attributable to:					
Owners of the parent		152,088,105	127,140,206	107,231,800	216,032,559
Non-controlling interests		-	-	-	-
		<u>152,088,105</u>	<u>127,140,206</u>	<u>107,231,800</u>	<u>216,032,559</u>
Earnings per share					
Basic earnings per share	27	<u>0.2493</u>	<u>0.2629</u>	<u>0.1809</u>	<u>0.4381</u>
Diluted earnings per share	27	<u>0.2484</u>	<u>0.2620</u>	<u>0.1802</u>	<u>0.4367</u>

The accompanying notes on pages 16 to 73 are an integral part of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2018

Consolidated financial statements (Baht)													
Notes	Issued and paid-up ordinary shares	Share premium, net	Surplus from business combination under common control	Surplus from share-based payments	Discount from changes in shareholding of subsidiary	Other components of equity				Total equity attributable to owners of the parent	Non-controlling Interests	Total equity	
						Retained earnings		Currency translation differences	Other comprehensive income (loss)				
						Appropriated	Unappropriated						
Opening balances as at 1 January 2017													
20	215,000,000	-	30,726,984	18,765,038	(187,500)	2,400,000	74,956,718	(419,342)	-	341,241,898	-	341,241,898	
	87,250,000	687,965,894	-	-	-	-	-	-	-	775,215,894	-	775,215,894	
22	-	-	-	-	-	10,801,628	(10,801,628)	-	-	(129,050,000)	-	(129,050,000)	
	-	-	-	-	-	1,200,000	(1,200,000)	-	-	-	-	-	
30	-	-	-	444,548	-	-	-	-	-	444,548	-	444,548	
	-	-	-	-	-	-	129,637,118	(2,496,912)	-	127,140,206	-	127,140,206	
Closing balance as at 31 December 2017	302,250,000	687,965,894	30,726,984	19,209,586	(187,500)	14,401,628	63,542,208	(2,916,254)	-	1,114,992,546	-	1,114,992,546	
Opening balances as at 1 January 2018													
21	302,250,000	687,965,894	30,726,984	19,209,586	(187,500)	14,401,628	63,542,208	(2,916,254)	-	1,114,992,546	-	1,114,992,546	
	-	-	-	-	-	-	(66,495,000)	-	-	(66,495,000)	-	(66,495,000)	
22	-	-	-	-	-	5,498,372	(5,498,372)	-	-	-	-	-	
	-	-	-	-	-	2,000,000	(2,000,000)	-	-	-	-	-	
30	-	-	-	1,330,000	-	-	-	-	-	1,330,000	-	1,330,000	
	-	-	-	-	-	-	152,065,213	22,892	-	152,088,105	-	152,088,105	
	-	-	-	-	-	(500,000)	500,000	-	-	-	-	-	
Closing balance as at 31 December 2018	302,250,000	687,965,894	30,726,984	20,539,586	(187,500)	21,400,000	142,114,049	(2,893,362)	-	1,201,915,651	-	1,201,915,651	

The accompanying notes on pages 16 to 73 are an integral part of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2018

Separate financial statements (Baht)						
Notes	Issued and paid-up ordinary shares	Share premium, net	Surplus from share-based payments	Retained earnings		Total equity
				Appropriated - Legal reserve	Unappropriated	
Opening balance as at 1 January 2017	215,000,000	-	18,765,038	-	9,765,854	243,530,892
Increase in share capital, net	20	87,250,000	687,965,894	-	-	775,215,894
Dividends paid		-	-	-	(129,050,000)	(129,050,000)
Legal reserve	22	-	-	10,801,628	(10,801,628)	-
Share-based payments	30	-	-	444,548	-	444,548
Other comprehensive income for the year		-	-	-	216,032,559	216,032,559
Closing balance as at 31 December 2017	<u>302,250,000</u>	<u>687,965,894</u>	<u>19,209,586</u>	<u>10,801,628</u>	<u>85,946,785</u>	<u>1,106,173,893</u>
Opening balance as at 1 January 2018	302,250,000	687,965,894	19,209,586	10,801,628	85,946,785	1,106,173,893
Dividends paid	21	-	-	-	(66,495,000)	(66,495,000)
Legal reserve	22	-	-	5,498,372	(5,498,372)	-
Share-based payments	30	-	-	1,330,000	-	1,330,000
Other comprehensive income for the year		-	-	-	107,231,800	107,231,800
Closing balance as at 31 December 2018	<u>302,250,000</u>	<u>687,965,894</u>	<u>20,539,586</u>	<u>16,300,000</u>	<u>121,185,213</u>	<u>1,148,240,693</u>

The accompanying notes on pages 16 to 73 are an integral part of of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		169,086,815	155,890,431	106,268,241	215,814,334
Adjustments for:					
Depreciation and amortisation	11,12,13	48,109,897	41,431,401	8,776,431	7,531,661
Share of profit from investments in associates and joint ventures	10	(33,062,456)	(16,678,065)	-	-
(Gain) loss from dissolution of subsidiaries and associate		-	962,779	(553,844)	-
Gain on sales of equipment		(3,999,576)	(174,853)	-	-
Loss from write-offs of assets		444,355	154,632	16,416	-
Employment benefit obligations	19	9,754,944	3,484,941	3,169,183	719,968
Allowance (reversal of allowance) for doubtful accounts		(154,145)	473,015	104,348	-
Unrealised gain on foreign exchange rate		(3,320,400)	-	(3,320,400)	-
Interest income		(6,198,518)	(2,630,393)	(10,015,291)	(4,362,469)
Dividend income		-	-	(96,726,828)	(212,384,691)
Expenses relating to share-based payments	30	1,330,000	444,548	1,330,000	444,548
Amortisation of deferred interest on finance leases		1,323,610	1,866,739	568,752	524,683
Finance costs		539,889	3,695,098	-	147,945
		183,854,415	188,920,273	9,617,008	8,435,979
Changes in working capital					
Operating assets decrease (increase)					
Trade and other receivables, net		(10,896,879)	129,813,377	19,453,404	(21,481,379)
Inventories		(44,276)	(163,127)	-	-
Other current assets		1,155,829	(4,360,805)	422,662	(365,579)
Retentions		(2,116,806)	-	(1,500)	-
Other non-current assets		(42,609,329)	(6,096,499)	-	(2,244,559)
Operating liabilities increase(decrease)					
Trade and other payables		114,052,483	(283,326,891)	(1,617,725)	(2,455,421)
Other current liabilities		347,454	8,365,381	(462,469)	1,271,822
Employment benefit obligations	19	(582,400)	-	-	-
Other non-current liabilities		2,937,000	(61,400)	10,001	(45,000)
Cash flows from operating activities		246,097,491	33,090,309	27,421,381	(16,884,137)
Income tax paid		(43,582,275)	(30,246,834)	(3,491,944)	(1,047,668)
Net cash generated from (used in) operating activities		202,515,216	2,843,475	23,929,437	(17,931,805)

The accompanying notes on pages 16 to 73 are an integral part of of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest income received		6,476,747	2,695,940	10,378,993	3,479,820
Proceeds from sales of equipment		6,684,071	2,018,970	-	-
Payments for purchases of equipment and intangible assets		(34,982,048)	(89,984,801)	(4,035,094)	(2,478,178)
Proceeds from dissolution of investments in subsidiaries		-	-	3,053,744	-
Proceeds from dissolution of associates		-	1,557,221	-	-
Payments for investments in subsidiaries	9	-	-	(92,249,900)	(2,000,000)
Payment for investments in associates and joint ventures	10.2	(126,099,544)	(1,499,950)	(126,099,544)	-
Proceeds from short-term loans to related parties	28.6	-	2,900,000	78,674,500	13,400,000
Payment for short-term loans to related parties	28.6	-	(3,750,000)	(92,600,000)	(271,750,000)
Proceeds from short-term loans to third parties		-	1,292,131	-	-
Proceeds from long-term loans to related parties		-	8,800,000	-	-
Net received from short-term investments		4,132,988	48,820	-	-
Dividends received in cash from subsidiaries		-	-	82,301,028	167,783,000
Dividends received in cash from associates and joint ventures		16,757,954	16,120,151	12,537,590	12,101,691
Net cash used in investing activities		(127,029,832)	(59,801,518)	(128,038,683)	(79,463,667)

The accompanying notes on pages 16 to 73 are an integral part of of these consolidated and separate financial statements.

Triple i Logistics Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Interest paid		(539,889)	(6,257,029)	-	(672,628)
(Decrease) increase in bank overdrafts and short-term loans from financial institutions		(4,728,224)	(40,758,748)	-	-
Decrease in finance lease liabilities		(11,781,178)	(9,267,316)	(4,244,635)	(3,742,422)
Proceeds from short-term loans from related parties		-	60,000,000	-	60,000,000
Repayment of short-term loans from related parties		-	(60,000,000)	-	(60,000,000)
Repayments of long-term loans from financial institutions	17.1	(6,576,708)	(8,459,434)	-	-
Payment for capital to non-controlling interest from dissolution of subsidiaries		-	-	-	-
Proceeds from increase in share capital, net		-	775,215,894	-	775,215,894
Dividends paid	21	(66,392,239)	(129,050,000)	(66,392,239)	(129,050,000)
Net cash receipts from (used in) financing activities		(90,018,238)	581,423,367	(70,636,874)	641,750,844
Net increase (decrease) in cash and cash equivalents		(14,532,854)	524,465,324	(174,746,120)	544,355,372
Cash and cash equivalents at the beginning of the year		746,463,152	226,214,951	582,975,952	38,620,580
Currency translation differences		(108,678)	(4,217,123)	-	-
Cash and cash equivalents at the ending of the year		731,821,620	746,463,152	408,229,832	582,975,952
Non-cash transactions					
Outstanding finance lease liabilities		792,008	6,140,684	(3,675,883)	(9,967,359)
Dividends payable		102,761	-	102,761	-
Dividends receivable		(1,499,950)	-	(1,888,210)	(32,498,220)
Interest receivable		333,673	661,233	363,702	916,887
Purchases of fixed assets not yet paid		2,083,768	(13,544,427)	(687,625)	(6,914,719)
Receivables from disposal of assets under finance lease agreement		(1,887,080)	-	-	-
Provision liabilities from investment in a joint venture, net		1,330,000	444,548	1,330,000	444,548

The accompanying notes on pages 16 to 73 are an integral part of of these consolidated and separate financial statements.



Notes to the Consolidated and Separate Financial Statements



Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

1 General information

Triple i Logistics Public Company Limited (the "Company") is a public company listed in the Stock Exchange of Thailand. The Company is incorporated and resides in Thailand. The address of the Company's registered office is as follows:

628, 3rd Floor, Triple i Building, Soi Klab Chom, Nonsee Road, Chongnonsee, Yannawa, Bangkok 10120, Thailand.

For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

The principal business operations of the Group are domestic and international freight forwarding and integrated logistics services provider.

The consolidated financial statements include the following subsidiaries:

Subsidiaries	Nature of business	Country of incorporation	Percentage of shareholding (Direct and indirect holding)	
			2018 %	2017 %
Asia Ground Service Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
Triple i Air Express Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
Triple i Asia Cargo Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00
Triple i GSA Cargo Co., Ltd.	Air freight forwarding	Thailand	-	100.00
HazChem Logistics Management Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00
Triple i Supplychain Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00
Triple i Maritime Agencies Co., Ltd.	Ocean freight forwarding	Thailand	100.00	100.00
DG Packaging (Thailand) Co., Ltd.	Selling packages and providing packing services	Thailand	100.00	100.00
Cross Border Couriers Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00
Triple i International Pte. Ltd.	Air freight forwarding	Singapore	100.00	100.00
Triple i International Japan Co., Ltd.	Air freight forwarding	Japan	100.00	100.00

The consolidated and separate financial statements were authorised by the Board of Directors on 26 February 2019.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The financial statements for the year ended 31 December 2018 have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Revised and new financial reporting standards and related interpretations

2.2.1 Revised accounting standards and financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group are as follows.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The above revised standards do not have a significant impact on the Group except for disclosure.

2 Accounting policies (Cont'd)

2.2 Revised and new financial reporting standards and related interpretations (Cont'd)

2.2.2 Revised and new financial reporting standards which have been issued but not yet effective.

2.2.2.1 TFRS 15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

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

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2 Accounting policies (Cont'd)

2.2 Revised and new financial reporting standards and related interpretations (Cont'd)

2.2.2 Revised and new financial reporting standards which have been issued but not yet effective. (Cont'd)

2.2.2.1 TFRS 15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)	Share-based Payment
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

2 Accounting policies (Cont'd)

2.2 Revised and new financial reporting standards and related interpretations (Cont'd)

2.2.2 Revised and new financial reporting standards which have been issued but not yet effective. (Cont'd)

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019. The Group has not yet adopt these standards. (Cont'd)

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The Group's management is currently assessing the impact of adoption these standards.

2.2.2.3 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2019. The Group has not yet adopted those standards.

The group of financial instruments reporting standards consist of the following standards:

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

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for the Group's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the Group is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

2 Accounting policies (Cont'd)

2.2 Revised and new financial reporting standards and related interpretations (Cont'd)

2.2.2 Revised and new financial reporting standards which have been issued but not yet effective. (Cont'd)

2.2.2.3 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2019. The Group has not yet adopted those standards. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates, and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment.

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates, and interests in joint ventures (Cont'd)

(4) Business combination under common control

The Group recognises acquisition of subsidiaries' assets from the acquisition and transfer of entire business with subsidiaries under common control as the pooling of interest in the consolidated financial statements. The Group prepares the consolidated financial statements retrospectively as if the Group controlled the subsidiaries from the beginning. In this regard, the Group recognises surplus from business combination under common control arising from such acquisition under equity in the statement of financial position on the date the Group acquires and transfers entire business. The amount of surplus from business combination under common control is the difference between the acquisition cost and the carrying amount at the acquisition date.

(5) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

In the separate financial statements, investments in associates are accounted for at cost less impairment.

(6) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for at cost less impairment.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates, and interests in joint ventures (Cont'd)

(7) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduction of the ownership interest in an associate and joint ventures is recognised in profit or loss.

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are stated in Thai Baht, which is the Company's functional and presentation currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

2.4.3 Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as other comprehensive income.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 General investments

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2 Accounting policies (Cont'd)

2.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Building improvement	5 and 15 years

2.10 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost over their estimated useful lives, as follows:

Buildings	20 years
Building improvement	5, 6 and 10 years
Equipment and office furniture	5 and 10 years
Vehicles	5 and 10 years
Furniture and fixtures	5 and 10 years
Office equipment	5 and 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income/(expenses) - net' in profit or loss.

2 Accounting policies (Cont'd)

2.11 Intangible assets

Computer software

Expenditure on acquired computer software is capitalised as intangible asset on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over its estimated useful lives of 5 years.

Cost of maintenance are recognised as an expense as incurred.

2.12 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Lease

Leases - where the Group is a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2 Accounting policies (Cont'd)

2.13 Leases (Cont'd)

Leases - where the Group is a lessee

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.14 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

2.15 Employee benefits

(a) Short-term benefits

The Group recognises a liability and an expense for bonuses and expected benefit where contractually obliged or where there is a past practice that has created a constructive obligation.

(b) Retirement benefits

The Group operates retirement benefits schemes which include defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate fund. The fund is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

A defined benefit plan is a retirement plan following the Thai labour law and the Group's policy for employment. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

2 Accounting policies (Cont'd)

2.15 Employee benefits (Cont'd)

(b) Retirement benefits (Cont'd)

Remeasurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

(c) Other long-term benefits

The Group operates other long-term benefits for employees who complete the service years according to the Group's policy. The liability recognised in the statement of financial position in respect of other long-term benefit is present value of the other long-term benefit obligation at the end of the reporting period. The other long-term benefit is calculated by independent actuaries using the projected unit credit method.

Remeasurement and past-service costs are recognised immediately in profit or loss.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred taxes. Taxes are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (Cont'd)

2.18 Share-based payments

The Company operated a number of equity-settled, share-based compensation plans in exchange for past performance of the management of the Group. This was part of the shareholding restructuring of the Group's management. The number of shares issued to each member of the management reflects their past performance. The total amount to be expensed is determined by reference to the fair value of the shares issued:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions and
- excluding the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Group of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, in separate financial statement undertakings, with a corresponding credit to equity.

2.19 Revenue recognition

Service revenue comprises the fair value of the consideration received or receivable, net of rebates and discounts. Service income is recognised when services have been rendered.

Revenue from sales of goods as normal business of the Group comprises the fair value of consideration received or receivable for the sale of goods, net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income and other income are recognised on an accrual basis in accordance with the substance of the relevant agreements.

Dividend income is recognised upon entitlement.

2.20 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's Board of Directors or shareholders.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

2 Accounting policies (Cont'd)

2.22 Financial instrument

Financial assets carried in the statement of financial position include cash and cash equivalents short-term investment, trade and other receivables, short-term loans to related parties and finance lease receivable. Financial liabilities carried in the statement of financial position include bank overdrafts and short-term loans from financial institutions, trade and other payables, financial lease liabilities, contingent consideration paid and long-term loans from financial institutions. The carrying amount of financial assets and financial liabilities approximates the fair value except long-term loans with interest charged at the fixed rates.

3 Financial risk management

3.1 Financial risk management

The Group's activities are exposed to a variety of financial risks, such as market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

3.1.2 Interest rate risk

Revenue and cash flows from operations of the Group are not subject to changes in market interest rates.

The Group's income and operating cash flows are not substantially independent of changes in market interest rates. The Group has interest rate risk from loans with interest charged at the floating and fixed rates. However, The Group does not use interest rate swaps to hedge certain exposures because the management believes that the fluctuation in interest rates does not have significant impact to the Group.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3 Financial risk management (Cont'd)

3.2 Fair value estimation

Financial assets of the Group that are carried in the statement of financial position include cash and cash equivalents, short-term investments, trade and other receivables, short-term loans to related parties, short-term loans to other parties, long-term loans to related parties and investment property. Financial liabilities of the Group that are carried in the statement of financial position include bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from other parties, short-term loans from related parties, long-term loans from financial institutions, and finance lease liabilities.

The carrying amounts of the financial assets and financial liabilities approximate their fair values, except long-term loans to related parties with fixed interest rates and investment property.

The Group discloses fair value by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly that is, as prices or indirectly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group discloses fair values of financial instruments in the following notes.

Investment properties	Note 11
Long-term loan from financial institutions	Note 17.1
Foreign exchange forward contracts	Note 31.2

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgements and estimate losses which are expected to occur for uncollectable accounts receivable. The Group considers allowance for doubtful accounts based on historical collection experience and analysis of receivable at year-end.

b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

c) Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probably that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Group has determined the future taxable profits by referencing to the latest available financial forecasts. The recognition, therefore, involves judgement regarding the future financial performance of the Group in which the deferred tax assets have been recognised.

4 Critical accounting estimates, assumptions and judgements (Cont'd)

d) Retirement benefits

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions including discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement benefits liability.

e) Share-based payments

The appraisal of fair value of equity security is carried out using appropriate equity valuation technique at the valuation date based on relevant factors and assumptions. Relevant factors and assumption that the Group uses in the appraising the fair value of equity security are price per earnings ratio, and market discount rate. The Group uses the price per earnings ratio of the securities registered in the market during the same period as the appraisal date and in the same industry with the Group. The discount rate that the Group uses are based on the historical analysis of value of those securities registered in the market.

f) Estimate for the value of investment in a joint venture

At the acquisition date, the Group recognised the investment in joint venture which comprise of the consideration transferred at the acquisition date, including contingent consideration paid and acquisition-related cost.

The assessment of the contingent consideration paid involved significant judgment and assumption by management to consider the probability of the contingent consideration will be paid. The valuation of the contingent consideration paid will be discounted to the present value.

g) Estimate of the fair value of the net identifiable assets acquired from the acquisition of investment in an associate

The Group recognised the investment in joint venture by determining fair value of the net identifiable assets acquired and performing purchase price allocation in accordance with the concepts in TFRS 3 (revised 2016) "Business Combination". as described in Note 10.2.

The assessment of the fair value of the net identifiable assets involved significant judgment by management and the appropriateness and reliability of information and assumptions.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	504,057	327,493	492	9,529
Cheques on hand	14,264,077	213,465	399,546	-
Deposits at financial institutions				
- current accounts	168,624,533	56,217,372	6,960,717	3,077,531
- savings accounts	348,428,953	188,991,945	200,869,077	79,271,837
- fixed deposit accounts	200,000,000	500,712,877	200,000,000	500,617,055
	<u>731,821,620</u>	<u>746,463,152</u>	<u>408,229,832</u>	<u>582,975,952</u>

As at 31 December 2018, deposits at financial institutions - savings accounts bear an interest rate of 0.37% - 0.50% per annum (2017 : 0.25% - 1.00% per annum), fixed deposit with maturity during 2-3 months bear an interest rate of 1.20% per annum (2017 : 0.37% - 1.25% per annum).

7 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables - other parties	308,107,443	305,963,725	13,895,108	16,719,590
<u>Less</u> Allowance for doubtful accounts	<u>(7,603,271)</u>	<u>(7,761,601)</u>	<u>(475,507)</u>	<u>(371,159)</u>
Trade receivables - other parties, net	300,504,172	298,202,124	13,419,601	16,348,431
Prepaid expenses	8,888,040	9,819,401	524,633	497,353
Accrued income	86,771,428	76,535,977	1,246,098	4,763,494
Other receivables	3,223,617	6,842,820	283,783	544,071
Trade receivables - related parties (Note 28.4)	18,926,129	14,842,886	15,999,730	29,244,343
Dividends receivable - related parties (Note 28.5)	1,499,950	-	34,386,430	32,498,220
	<u>419,813,336</u>	<u>406,243,208</u>	<u>65,860,275</u>	<u>83,895,912</u>

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

7 Trade and other receivables, net (Cont'd)

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Trade receivables - third parties</u>				
Less than 3 months	274,649,120	263,562,715	11,599,067	13,793,802
3 - 6 months	19,623,217	20,885,366	1,487,851	2,327,693
6 - 12 months	4,837,046	12,487,034	437,031	233,842
Over 12 months	8,998,060	9,028,610	371,159	364,253
	308,107,443	305,963,725	13,895,108	16,719,590
<u>Less</u> Allowance for doubtful accounts	(7,603,271)	(7,761,601)	(475,507)	(371,159)
	300,504,172	298,202,124	13,419,601	16,348,431
<u>Trade receivables - related parties</u> (Note 28.4)				
Less than 3 months	12,683,800	14,842,886	13,249,830	29,244,343
3 - 6 months	6,242,329	-	716,900	-
6 - 12 months	-	-	2,033,000	-
	18,926,129	14,842,886	15,999,730	29,244,343

8 Other current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Undue input value added tax	4,614,262	5,583,854	527,562	813,900
Refundable value added tax	15,572,118	5,883,254	-	136,324
Advances	-	6,175,715	-	-
Others	3,433,514	3,887,688	-	-
	23,619,894	21,530,511	527,562	950,224

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

9 Investments in subsidiaries

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Subsidiaries	-	-	145,448,570	55,698,570

The movements of investments in subsidiaries are as follows:

Subsidiaries	Separate financial statements	
	2018 Baht	2017 Baht
As at 1 January	55,698,570	53,698,570
Additional investment	92,249,900	2,000,000
Dissolution of subsidiaries	(2,499,900)	-
As at 31 December	145,448,570	55,698,570

The details of investments in subsidiaries as at 31 December are as follows:

Company	Nature Business	Country of incorporation	Shareholding Direct and indirect		Separate financial statements Cost	
			2018	2017	2018	2017
			%	%	Baht	Baht
Asia Ground Service Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	24,999,800	24,999,800
Triple i Air Express Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	50,499,780	5,499,780
Triple i Asia Cargo Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	2,499,900	2,499,900
Triple i GSA Cargo Co., Ltd.	Air freight forwarding	Thailand	-	100.00	-	2,499,900
HazChem Logistics Management Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	50,499,780	5,499,780
Triple i Supplychain Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	4,999,800	4,999,800
Triple i Maritime Agencies Co., Ltd.	Air freight forwarding	Thailand	100.00	100.00	5,299,780	5,299,780
DG Packaging (Thailand) Co., Ltd.	Package and packaging services	Thailand	100.00	100.00	1,099,880	1,099,880
Cross Border Couriers Co., Ltd.	Integrated logistics services provider	Thailand	100.00	100.00	2,999,850	749,950
Triple i International Pte. Ltd.	Air freight forwarding	Singapore	100.00	100.00	2,550,000	2,550,000
Triple i International Japan Co., Ltd.	Air freight forwarding	Japan	100.00	100.00	-	-
					145,448,570	55,698,570

Changes in investments in subsidiaries in 2018

Additional investments in increased share capital of subsidiaries

On 10 January 2018, the Company made additional investment in HazChem Logistics Management Co., Ltd., a subsidiary that increased its share capital by issuing 450,000 ordinary shares at a par value of Baht 100. The Company fully paid the additional investment of Baht 45.00 million. The shareholding in the subsidiary remains unchanged.

On 11 January 2018, the Company made additional investment in Triple i Air Express Co., Ltd., a subsidiary that increased its share capital by issuing 450,000 ordinary shares at a par value of Baht 100. The Company fully paid the additional investment of Baht 45.00 million. The shareholding in the subsidiary remains unchanged.

On 6 June 2018, Cross Border Couriers Co., Ltd, a subsidiary, that increased its share capital for the remaining 75% for its 30,000 shares with the par value of Baht 100. The Company already paid call for paid-up capital of Baht 2.25 million.

9 Investments in subsidiaries (Cont'd)

Changes in investments in subsidiaries in 2018 (Cont'd)

Dividends paid

Detail of dividend payment of the subsidiaries during the year 2018 are as follows:

Resolution of the meeting	Date of resolution	Subsidiaries Name	Dividend paid	Amount (Baht)	Payment date
Board of Director's Meeting No. 1/2561	1 June 2018	Triple i GSA Cargo Co., Ltd.	Baht 14 per share for 50,000 shares	700,000	5 July 2018
Board of Director's Meeting No. 3/2561	22 August 2018	HazChem Logistics Management Co., Ltd.	Baht 25 per share for 500,000 shares	12,500,000	7 September 2018
Board of Director's Meeting No. 3/2561	22 August 2018	DG Packaging (Thailand) Co., Ltd.	Baht 200 per share for 10,000 shares	2,000,000	24 September 2018
Board of Director's Meeting No. 1/2561	21 September 2018	Triple i International Pte. Ltd.	3.00 U.S. Dollars per share for 100,000 shares, totalling 300,000 U.S. Dollars	9,600,000	5 October 2018
Board of Director's Meeting No. 4/2561	27 September 2018	Triple i Maritime Agencies Co., Ltd	Baht 300 per share for 100,000 shares	15,000,000	22 October 2018
Board of Director's Meeting No. 5/2561	11 December 2018	HazChem Logistics Management Co., Ltd.	Baht 20 per share for 500,000 shares	10,000,000	20 December 2018
Board of Director's Meeting No. 5/2561	11 December 2018	DG Packaging (Thailand) Co., Ltd	Baht 100 per share for 10,000 shares	1,000,000	18 January 2019
Board of Director's Meeting No. 5/2561	14 December 2018	Triple i Maritime Agencies Co., Ltd.	Baht 100 per share for 100,000 shares	10,000,000	17 January 2019
Board of Director's Meeting No. 11/2561	19 December 2018	Triple i Air Express Co., Ltd.	Baht 8 per share for 500,000 shares	4,000,000	31 January 2019
Board of Director's Meeting No. 2/2561	31 December 2018	Triple i International Pte. Ltd	6.00 U.S. Dollars per share for 100,000 shares, totalling 600,000 U.S. Dollars	19,390,000	15 January 2019

9 Investments in subsidiaries (Cont'd)

Changes in investments in subsidiaries in 2018 (Cont'd)

Dissolution of subsidiary

The Extraordinary Shareholders' Meeting No. 1/2018 on 31 August 2018 of Triple i GSA Cargo Co., Ltd., the Company's subsidiary, passed a resolution to dissolve this subsidiary. The dissolution was registered to the Ministry of Commerce on 7 September 2018 and the liquidation was completed in September 2018. The Company has received its investment of Baht 3.05 million from this subsidiary.

10 Investments in associates and joint ventures

The amounts recognised in statement of financial position are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Associates	32,569,704	21,890,831	5,065,215	5,065,215
Joint ventures	291,992,949	15,981,014	271,385,837	187,494
	<u>324,562,653</u>	<u>37,871,845</u>	<u>276,451,052</u>	<u>5,252,709</u>

The amounts recognised in statement of comprehensive income are as follow:

Share profits from investments in associates and joint ventures

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Associates	17,258,531	14,578,701	-	-
Joint ventures	15,803,925	2,099,364	-	-
	<u>33,062,456</u>	<u>16,678,065</u>	<u>-</u>	<u>-</u>

10 Investments in associates and joint ventures (Cont'd)

10.1 Investments in associates

Company	Nature of business	Country of incorporation	Shareholding direct and indirect		Cost (direct investment)		Investment value under equity method	
			2018 %	2017 %	2018 Baht	2017 Baht	2018 Baht	2017 Baht
CK Line (Thailand) Co., Ltd	International Maritime shipping agency	Thailand	42.00	42.00	2,100,000	2,100,000	9,350,817	6,539,189
ECU Worldwide (Thailand) Co., Ltd.	International freight forwarding	Thailand	43.00	43.00	2,365,215	2,365,215	4,042,381	3,881,023
Excel Air Co., Ltd.	Airfreight agency	Thailand	30.00	30.00	600,000	600,000	8,992,191	3,739,464
Excel Air Limited	Airfreight agency	Hong Kong	20.00	20.00	-	-	3,456,924	2,539,691
Freightworks GSA (HK) Limited	Airfreight agency	Hong Kong	20.00	20.00	-	-	4,256,230	3,455,181
Excel Air (Guangzhou) Limited	Airfreight agency	China	25.00	25.00	-	-	2,471,161	1,736,283
					5,065,215	5,065,215	32,569,704	21,890,831

Changes in investments in associates in 2018

Dividends paid

Detail of dividend payment of the associates during the year 2018 are as follows:

Resolution of the meeting	Date of resolution	Associates Name	Dividend paid	Amount (Baht)	Payment date
Extraordinary Meeting of Shareholders No. 2/2561	28 March 2018	CK Line (Thailand) Co., Ltd.	Baht 120 per share for 50,000 shares, totalling Baht 6.00 million	2,520,000	30 March 2018
Board of Directors' Meeting No.3/2561	18 September 2018	ECU Worldwide (Thailand) Co., Ltd.	140 per share for 50,000 ordinary shareholders, totalling Baht 7.00 million	3,010,000	28 September 2018
Board of Directors' Meeting No.4/2561	20 December 2018	ECU Worldwide (Thailand) Co., Ltd.	80 per share for 50,000 ordinary shareholders, totalling Baht 4.00 million	1,720,000	27 December 2018

10 Investments in associates and joint ventures (Cont'd)

10.1 Investments in associates (Cont'd)

Summary of financial information of significant associates

Set out below are the summarised financial information for CK Line (Thailand) Company Limited, ECU Worldwide (Thailand) Co., Ltd. and Excel Air Co., Ltd. which are accounted for using the equity method.

Summarised statements of financial position

	CK Line (Thailand) Co., Ltd.		ECU Worldwide (Thailand) Co., Ltd.		Excel Air Co., Ltd.	
	2018 Baht	2017 Baht	2017 Baht	2017 Baht	2018 Baht	2017 Baht
As at 31 December						
Current portion						
Cash and cash equivalents	29,386,818	34,743,525	8,834,356	9,360,856	29,019,766	3,515,257
Other current assets (exclude cash)	6,406,492	8,324,429	63,747,493	40,866,528	81,558,161	69,884,325
Total current assets	35,793,310	43,067,954	72,581,849	50,227,384	110,577,927	73,399,582
Other current liabilities (include accounts payable)	17,226,958	30,043,828	63,340,231	40,443,984	80,919,189	61,452,392
Total current liabilities	17,226,958	30,043,828	63,340,231	40,443,984	80,919,189	61,452,392
Non-current portion						
Non-current assets	5,799,852	5,769,747	5,390,020	5,096,739	315,231	517,689
Other non-current liabilities	2,102,355	3,224,375	6,230,752	5,854,504	-	-
Net assets	22,263,849	15,569,498	9,400,886	9,025,635	29,973,969	12,464,879

Summarised statements of comprehensive income

	CK Line (Thailand) Co., Ltd.		ECU Worldwide (Thailand) Co., Ltd.		Excel Air Co., Ltd.	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
For the year ended 31 December						
Revenue	59,273,553	68,942,300	216,227,475	217,192,078	263,116,231	277,856,734
Net income for the year	11,418,070	9,947,712	10,849,732	12,314,886	17,554,549	10,264,878
Other comprehensive income (expense)	1,388,544	-	202,674	-	-	-
Total comprehensive income for the year	12,806,614	9,947,712	11,172,576	12,314,886	17,554,549	10,264,878
Dividend received	2,520,000	-	4,730,000	7,740,000	-	4,361,691

These information are amounts included in consolidated financial statement of associates (which are not only part of the Group in the associates) and adjusted for differences between accounting policies of the Group and the associates.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

	CK Line (Thailand) Co., Ltd.		ECU Worldwide (Thailand) Co., Ltd.		Excel Air Co., Ltd.	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Summarised financial information						
Net assets as at year end	22,263,849	15,569,498	9,400,886	9,025,635	29,973,969	12,464,879
Interest in associates (%)	42	42	43	43	30	30
Carrying value	9,350,817	6,539,189	4,042,381	3,881,023	8,992,191	3,739,464

Individually insignificant associates

In addition to the interest in associates as disclosed above, the Group also has interests in insignificant associates that are accounted for using the equity method.

	2018 Baht	2017 Baht
Aggregate carrying amount of individually insignificant associates accounted for using the equity method	10,766,901	7,731,155
Net profit	14,329,663	12,108,097
Comprehensive income	14,329,663	12,108,097

10 Investments in associates and joint ventures (Cont'd)

10.2 Investments in joint ventures

Company	Nature of business	Country of incorporation	Shareholding, both direct and indirect		Cost (direct investment)		Investment value under equity method	
			2018 %	2017 %	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Asia Network International Co., Ltd.	International freight forwarding	Thailand	60.00	60.00	187,494	187,494	1,643,322	957,929
CWT Chemical Logistics Co., Ltd.	Domestic freight forwarding	Thailand	51.00	51.00	-	-	1,920,492	1,883,103
HazChem Trans Management Co., Ltd.	Domestic freight forwarding	Thailand	60.00	60.00	-	-	5,261,018	5,067,114
GSA Asia Cargo Co., Ltd.	Air freight forwarding	Myanmar	60.00	60.00	-	-	2,184,213	2,152,921
GSA Cargo Network (Myanmar) Co., Ltd.	Airfreight agency	Myanmar	50.00	50.00	-	-	1,084,966	1,693,304
HazChem Logistics Management Pte. Ltd.	Air freight forwarding for chemical goods	Singapore	55.00	55.00	-	-	3,091,833	4,226,643
DG Packaging Pte. Ltd.	Package and packaging services	Singapore	50.00	-	271,198,343	-	276,807,105	-
					<u>271,385,837</u>	<u>187,494</u>	<u>291,992,949</u>	<u>15,981,014</u>

Even if the Company has shareholding more than 50 percent in some joint ventures, the Company does not have control power over those joint ventures. This is specified as a joint control in the joint venture agreements.

10 Investments in associates and joint ventures (Cont'd)

10.2 Joint ventures (Cont'd)

Changes in investments in joint ventures in 2018

On 18 June 2018, the Company entered into a Share Sale and Purchase Agreement ('the Agreement') with the previous shareholders of DG Packaging Pte. Ltd. ('DGP') a company incorporated in Singapore. DGP sales packaging and provides packaging services for the transportation of dangerous and hazardous goods. The Agreement was for the purchase of 50% of DGP's paid-up capital of from its previous shareholder with a value not exceeding SGD 11.00 million. This is considered as an investment in joint venture.

The contingent consideration arrangement under the Agreement will be made in 5 tranches, as follows:

- Tranche 1 SGD 5.00 million. Payment due at the date of transfer of 50% of DGP's shares to the Company.
- Tranche 2 SGD 2.00 million. Payment due by 18 February 2019.
- Tranche 3 SGD 2.00 million. Payment due by 18 February 2020.
- Tranche 4 SGD 1.00 million. The Company will release the Tranche 4 payment if DGP can achieve net income excluding extraordinary items of at least SGD 2.20 million for the period of 1 January to 31 December 2018. Payment date within 15 days after receipt of DGP's audited financial statements.
- Tranche 5 SGD 1.00 million. The Company will release the Tranche 5 payment if DGP can achieve net income excluding extraordinary items of at least SGD 2.20 million for the period of 1 January to 31 December 2019. Payment date within 15 days after receipt of DGP's audited financial statements.

If DGP is unable to meet its performance requirements for Tranches 4 and 5, the Company will only release payments for Tranches 1 to 3 totalling SGD 9.00 million.

On 2 July 2018, the Company paid SGD 5.00 million, equivalent to Baht 121.02 million to its previous shareholder of DGP and the Company has received 50% of DGP's shares. Transaction cost relating to investment in this joint venture of Baht 5.07 million was presented as cost of investment in joint venture.

Details of the considerations paid and the Company's portion of book value of net assets acquired and recognised at the acquisition date are as follows:

	2 July 2018 Baht'000
Cash and cash equivalents	5,464
Trade and other receivables	19,880
Inventories	233
Leasehold property and equipment	27,985
Trade and other payables	(16,176)
Short-term loan	(1,722)
Other current liabilities	(3,504)
Long-term loan	(18,387)
Finance lease liabilities	(3,409)
Deferred taxes liabilities	(64)
Book value of net assets	10,300
Consideration paid comprise of	
Payment on acquisition date	121,025
Commitment consideration	96,733
Contingent consideration	48,366
Transaction costs	5,074
Total	271,198
Total consideration paid	260,898

As at 31 December 2018, the Company was under the process of determining fair value of the acquired net assets and reviewing purchase price allocation ("PPA") of an acquisition of investment in joint venture. Therefore, the goodwill presented above may be subject to further adjustments depending on the determination of fair value and the result of the PPA, which is expected to be finalised within 12 months from the acquisition date.

10 Investments in associates and joint ventures (Cont'd)

10.2 Joint ventures (Cont'd)

Commitment and contingent consideration

At the acquisition date, the potential undiscounted amount of all future payments of committed and contingent consideration paid is SGD 4 million and SGD 2 million, respectively or equivalent to Baht 98.10 million and 49.05 million, respectively. The Company's management estimated value of contingent consideration that based on the probability of the future operation performance of the joint venture being achieved. The Company's considered that the Company will pay in full amount under the Agreement.

The fair value of the committed and contingent consideration was Baht 96.73 million and Baht 48.37 million, respectively. The fair value estimation is based on a discount rate of 1.25%.

Fair value of consideration paid and contingent consideration paid for investment in joint venture comprise the following:

	Consolidated Financial statements		Separate Financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Committed consideration	98,101,600	-	98,101,600	-
Contingent consideration	49,050,800	-	49,050,800	-
<u>Less</u> Unrealised gain on foreign exchange rate	(3,320,400)	-	(3,320,400)	-
	143,832,000	-	143,832,000	-
Future financing costs on consideration	(2,053,600)	-	(2,053,600)	-
	141,778,400	-	141,778,400	-
<u>Less</u> Current portion	(69,980,280)	-	(69,980,280)	-
Non-current portion	71,798,120	-	71,798,120	-

10 Investments in associates and joint ventures (Cont'd)

10.2 Joint ventures (Cont'd)

Changes in investments in joint ventures in 2018 (Cont'd)

Dividends payment

Detail of dividend payment of joint ventures during 2018 are as follows:

Meeting of	Date	Subsidiaries	Detail of interim dividend payment to the shareholders	Amount (Baht)	Payment date
Board of Director's Meeting No. 1/2561	8 August 2018	HazChem Logistics Management Pte. Ltd.	1 Singapore Dollars per share for 100,000 shares, totalling 100,000 Singapore Dollars, which approximated Baht 2.38 million.	1,310,000	21 August 2018
Extraordinary Meeting of Shareholders No. 2/2561	22 August 2018	HazChem TransManagement Co., Ltd.	Baht 40 per share for 50,000 ordinary shareholders, totalling Baht 2.00 million.	1,200,000	20 September 2018
Extraordinary Meeting of Shareholders No. 1/2561	23 August 2018	CWT Chemical Logistics Co., Ltd.	Baht 32 per share for 25,000 ordinary shareholders, totalling Baht 0.80 million.	410,000	13 September 2018
Extraordinary Meeting of Shareholders	9 October 018	DG Packaging Pte. Ltd.	2.25 Singapore Dollars per share for 200,000 shares, totalling 450,000 Singapore Dollars, which approximated Baht 10.52 million.	5,260,000	18 October 2018
Board of Director's Meeting No. 2/2561	27 November 2018	HazChem Logistics Management Pte. Ltd.	1 Singapore Dollars per share for 100,000 shares, totalling 100,000 Singapore Dollars, which approximated Baht 2.38 million.	1,310,000	27 November 2018
Extraordinary Meeting of Shareholders No. 3/2561	11 December 2018	HazChem TransManagement Co., Ltd.	Baht 50 per share for 50,000 ordinary shareholders, totalling 2.50 million.	1,500,000	25 January 2019

Dissolution of joint venture

The Extraordinary Shareholders' Meeting No. 2/2561 on 11 October 2018 of CWT Chemical Logistics Co., Ltd., the Group's joint venture, passed a resolution for dissolution. The associate registered the dissolution with the Ministry of Commerce on 1 November 2018 and are under the liquidation process.

10 Investments in associates and joint ventures (Cont'd)

10.2 Investments in joint ventures (Cont'd)

Set out below are the summarised financial information of significant joint ventures which are accounted for using the equity method.

Summarised statements of financial position

As at 31 December	Hazchem Trans Management Co., Ltd.		GSA Asia Cargo Co., Ltd.		Hazchem Logistics Management Pte. Ltd.		DG Packaging Pte. Ltd.		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current										
Cash and cash equivalents	4,293,185	2,526,488	3,070,810	2,805,860	530,754	832,987	9,740,090	-	17,634,839	6,165,335
Other current assets (not including cash)	21,597,539	22,749,804	1,032,804	1,064,691	10,045,920	12,981,739	42,405,794	-	75,082,057	36,796,234
	25,890,724	25,276,292	4,103,614	3,870,551	10,576,674	13,814,726	52,145,884	-	92,716,896	42,961,569
Total current assets										
Other current liabilities (including trade payable)	18,204,105	17,020,967	474,666	282,349	5,216,963	6,335,890	34,240,894	-	58,136,628	23,639,206
Total current liabilities	18,204,105	17,020,967	474,666	282,349	5,216,963	6,335,890	34,240,894	-	58,136,628	23,639,206
Non-current										
Assets	1,228,291	282,349	11,407	-	261,803	205,969	52,761,233	-	54,262,734	488,318
Other non-current liabilities	146,547	92,484	-	-	-	-	39,663,959	-	39,810,506	92,484
Total non-current liabilities	146,547	92,484	-	-	-	-	39,663,959	-	39,810,506	92,484
Net assets	8,768,363	8,445,190	3,640,355	3,588,202	5,621,514	7,684,805	31,002,264	-	49,032,496	19,718,197

10 Investments in associates and joint ventures (Cont'd)

10.2 Investments in joint ventures (Cont'd)

Set out below are the summarised financial information of significant joint ventures which are accounted for using the equity method.

Summarised statements of comprehensive income

For the year ended 31 December	Hazchem Trans Management Co., Ltd.		GSA Asia Cargo Co., Ltd.		Hazchem Logistics Management Pte. Ltd.		DG Packaging Pte. Ltd.		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenue	94,304,232	75,072,138	3,447,494	3,462,554	33,707,435	40,307,774	108,499,822	-	239,958,983	118,842,466
Depreciation and amortisation expenses	(99,736)	(65,723)	(18,221)	(17,343)	-	(207,182)	(3,619,605)	-	(3,737,562)	(290,248)
Interest income	21,856	13,154	-	-	-	-	-	-	21,856	13,154
Interest expense	(68,233)	(76,716)	-	-	-	-	(554,060)	-	(622,293)	(76,716)
Profit (loss) before income tax	5,980,768	5,026,734	901,230	600,716	3,284,218	1,187,734	27,300,593	-	37,466,809	6,815,184
Income tax expense	(1,246,547)	(1,043,925)	(251,657)	(117,288)	-	-	(5,507,891)	-	(7,006,095)	(1,161,213)
Profit (loss) for the year	4,734,221	3,982,809	649,573	483,428	3,284,218	1,187,734	21,792,702	-	30,460,714	5,653,971
Total comprehensive income	4,802,477	3,982,809	649,573	483,428	3,284,218	1,187,734	21,792,702	-	30,528,970	5,653,971
Dividend received from joint ventures	2,699,910	2,699,910	-	-	2,612,500	-	5,287,590	-	10,600,000	2,699,910

The above information are amounts included in the financial statements of joint ventures (which are not only part of the Group in the associates) that have been adjusted for differences between accounting policies of the Group and those of the joint ventures.

10 Investments in associates and joint ventures

10.2 Investments in joint ventures (Cont'd)

Summarised financial information

	Hazchem Trans Management Co., Ltd.		GSA Asia Cargo Co., Ltd.		Hazchem Logistics Management Pte. Ltd.		DG Packaging Pte. Ltd.		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 31 December										
Net assets at the year end	8,768,363	8,445,190	3,640,355	3,588,202	5,621,514	7,684,805	31,002,264	-	49,032,496	19,718,280
Interest in joint ventures (%)	60	60	60	60	55	55	50	-		
Carrying value	5,261,018	5,067,114	2,184,213	2,152,921	3,091,833	4,226,643	15,501,132	-	26,038,246	11,446,728
Goodwill from investment	-	-	-	-	-	-	260,898,732	-	260,898,732	-
Currency translation difference	-	-	-	-	-	-	407,241	-	407,241	-
Total	5,261,018	5,067,114	2,184,213	2,152,921	3,091,833	4,226,643	276,807,105	-	287,344,169	11,446,728

10 Investments in associates and joint ventures (Cont'd)

10.2 Investments in joint ventures (Cont'd)

Besides the interest in joint ventures as disclosed above, the Group also has interests in individually insignificant joint ventures that are accounted for by using the equity method as follows:

	2018 Baht	2017 Baht
Aggregate carrying amount of individually insignificant joint ventures	4,549,861	4,534,336
Net income (loss)	1,481,664	(176,961)
Comprehensive income	1,481,664	(176,961)

11 Investment properties, net

	Separate financial statements			
	Land Baht	Building improvement Baht	Building Baht	Construction in progress Baht
As at 1 January 2017				
Cost	32,517,000	50,889,752	15,785,531	-
Less Accumulated depreciation	-	(4,663,400)	(322,802)	-
Net book amount	32,517,000	46,226,352	15,462,729	-
For the year ended 31 December 2017				
Opening net book amount	32,517,000	46,226,352	15,462,729	-
Additions	-	271,440	-	-
Depreciation charges	-	(3,443,063)	(965,759)	-
Closing net book amount	32,517,000	43,054,729	14,496,970	-
As at 31 December 2017				
Cost	32,517,000	51,161,192	15,785,531	-
Less Accumulated depreciation	-	(8,106,463)	(1,288,561)	-
Net book amount	32,517,000	43,054,729	14,496,970	-
For the year ended 31 December 2018				
Opening net book amount	32,517,000	43,054,729	14,496,970	-
Additions	-	329,580	-	217,320
Depreciation charges	-	(3,427,329)	(1,015,522)	-
Closing net book amount	32,517,000	39,956,980	13,481,448	217,320
As at 31 December 2018				
Cost	32,517,000	51,490,772	15,785,531	217,320
Less Accumulated depreciation	-	(11,533,792)	(2,304,083)	-
Net book amount	32,517,000	39,956,980	13,481,448	217,320

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

11 Investment properties, net (Cont'd)

As at 31 December 2018 and 2017, fair value of investment property is as follows:

	Separate financial statement	
	2018 Baht	2017 Baht
Land and building	133,897,172	134,295,000

The Group's investment property were valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. Fair value of land and building were appraised by using cost approach. The fair value is within level 2 of the fair value hierarchy.

As at 31 December 2018 and 2017, investment properties with the net book value of Baht 46.00 million were pledged as collaterals for securing the Group's credit facilities from a financial institution. (Notes 17.1).

However, on 8 January 2019, the Company redeem its investment property from securing the Group's credit facilities.

Amount recognised in profit and loss that are related to investment property are as follows:

	Separate financial statement	
	2018 Baht	2017 Baht
Rental income	2,303,028	2,273,028
Direct operating expense arise from investment property that generated rental income	82,720	279,923

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

12 Property, plant and equipment, net

	Consolidated financial statements								
	Land Baht	Building Baht	Building improvement Baht	Tool and equipment Baht	Vehicle and equipment Baht	Furniture and fixtures Baht	Office equipment Baht	Construction in progress Baht	Total Baht
As at 1 January 2017									
Cost	33,432,000	74,037,392	15,188,787	33,769,595	48,457,579	21,872,739	56,869,768	-	283,627,860
Less Accumulated depreciation	-	(2,725,463)	(9,765,410)	(9,918,247)	(23,650,332)	(13,640,209)	(28,942,141)	-	(88,641,802)
Net book amount	33,432,000	71,311,929	5,423,377	23,851,348	24,807,247	8,232,530	27,927,627	-	194,986,058
For the year ended 31 December 2017									
Opening net book amount	33,432,000	71,311,929	5,423,377	23,851,348	24,807,247	8,232,530	27,927,627	-	194,986,058
Reclassification, net	-	(45,878,696)	45,878,696	207,525	-	13,435	(220,960)	-	-
Additions	-	-	1,335,509	16,085,863	46,088,630	7,026,607	9,701,876	21,024,408	101,262,893
Disposals, net	-	-	-	(33,216)	(1,672,508)	(28,978)	(109,417)	-	(1,844,119)
Write-offs, net	-	-	-	-	-	(67,406)	(10)	-	(67,416)
Depreciation charges	-	(1,549,879)	(5,408,011)	(6,663,386)	(13,236,135)	(4,259,919)	(9,096,634)	-	(40,213,964)
Transfers, net	-	-	5,635,746	940,450	550,000	2,350,000	11,299,484	(20,775,680)	-
Closing net book amount	33,432,000	23,883,354	52,865,317	34,388,584	56,537,234	13,266,269	39,501,966	248,728	254,123,452
As at 31 December 2017									
Cost	33,432,000	27,117,646	69,079,788	50,571,554	88,493,469	31,053,967	77,467,956	248,728	377,465,108
Less Accumulated depreciation	-	(3,234,292)	(16,214,471)	(16,182,970)	(31,956,235)	(17,787,698)	(37,965,990)	-	(123,341,656)
Net book amount	33,432,000	23,883,354	52,865,317	34,388,584	56,537,234	13,266,269	39,501,966	248,728	254,123,452

12 Property, plant and equipment, net (Cont'd)

	Consolidated financial statements								
	Land Baht	Building Baht	Building improvement Baht	Tool and equipment Baht	Vehicle and equipment Baht	Furniture and fixtures Baht	Office equipment Baht	Construction in progress Baht	Total Baht
For the year ended 31 December 2018									
Opening net book amount	33,432,000	23,883,354	52,865,317	34,388,584	56,537,234	13,266,269	39,501,966	248,728	254,123,452
Reclassification, net	-	(146,608)	146,608	(415,048)	(2)	(26,872)	441,922	-	-
Additions	-	-	993,143	3,213,335	14,226,662	1,334,272	13,781,796	1,571,360	35,120,568
Disposals, net	-	-	(111,123)	-	(4,244,875)	(32,562)	-	-	(4,388,560)
Write-offs, net	-	-	(1)	(68,605)	(2)	(46,341)	(329,406)	-	(444,355)
Depreciation charges	-	(1,569,393)	(5,438,570)	(9,067,682)	(13,463,148)	(3,959,023)	(11,755,250)	-	(45,253,066)
Transfers, net	-	-	98,728	-	-	-	150,000	(248,728)	-
Closing net book amount	33,432,000	22,167,353	48,554,102	28,050,584	53,055,869	10,535,743	41,791,028	1,571,360	239,158,039
As at 31 December 2018									
Cost	33,432,000	26,870,531	68,849,259	53,573,394	85,965,286	28,918,539	87,579,342	1,571,360	386,759,711
Less Accumulated depreciation	-	(4,703,178)	(20,295,157)	(25,522,810)	(32,909,417)	(18,382,796)	(45,788,314)	-	(147,601,672)
Net book amount	33,432,000	22,167,353	48,554,102	28,050,584	53,055,869	10,535,743	41,791,028	1,571,360	239,158,039

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

12 Property, plant and equipment, net (Cont'd)

	Separate financial statements			
	Office equipment Baht	Furniture and fixtures Baht	Vehicle Baht	Total Baht
As at 1 January 2017				
Cost	8,986,445	3,563,282	-	12,549,727
<u>Less</u> Accumulated depreciation	(1,382,331)	(2,126,116)	-	(3,508,447)
Net book amount	<u>7,604,114</u>	<u>1,437,166</u>	<u>-</u>	<u>9,041,280</u>
For the year ended 31 December 2017				
Opening net book amount	7,604,114	1,437,166	-	9,041,280
Additions	376,870	888,570	10,192,820	11,458,260
Depreciation charges	(1,019,204)	(809,893)	(1,114,513)	(2,943,610)
Closing net book amount	<u>6,961,780</u>	<u>1,515,843</u>	<u>9,078,307</u>	<u>17,555,930</u>
As at 31 December 2017				
Cost	9,363,315	4,451,852	10,192,820	24,007,987
<u>Less</u> Accumulated depreciation	(2,401,535)	(2,936,009)	(1,114,513)	(6,452,057)
Net book amount	<u>6,961,780</u>	<u>1,515,843</u>	<u>9,078,307</u>	<u>17,555,930</u>
For the year ended 31 December 2018				
Opening net book amount	6,961,780	1,515,843	9,078,307	17,555,930
Additions	2,449,622	299,965	50,982	2,800,569
Write-offs, net	(43)	(16,373)	-	(16,416)
Depreciation charges	(1,299,932)	(596,362)	(2,045,767)	(3,942,061)
Closing net book amount	<u>8,111,427</u>	<u>1,203,073</u>	<u>7,083,522</u>	<u>16,398,022</u>
As at 31 December 2018				
Cost	11,113,074	3,952,064	10,243,802	25,308,940
<u>Less</u> Accumulated depreciation	(3,001,647)	(2,748,991)	(3,160,280)	(8,910,918)
Net book amount	<u>8,111,427</u>	<u>1,203,073</u>	<u>7,083,522</u>	<u>16,398,022</u>

Leased assets included above, where the Group is a lessee under finance leases, comprised vehicles and server equipment with details as follows::

	Consolidated Financial statements		Separate Financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost - capitalised finance leases	54,267,781	44,872,195	16,869,699	16,869,699
<u>Less</u> Accumulated depreciation	(16,920,032)	(10,183,170)	(4,581,675)	(1,876,906)
Net book amount	<u>37,347,749</u>	<u>34,689,025</u>	<u>12,288,024</u>	<u>14,992,793</u>

As at 31 December 2018, the Company's land and building in the consolidated financial information with the net book value of Baht 46.00 million (31 December 2017: Baht 47.01 million) were pledged as collaterals for securing the Group's credit facilities from a financial institution amount of Baht 199.35 million (31 December 2017: Baht 166.62 million). Those credit facilities include the Group's bank overdrafts, short-term and long-term loans (Notes 17.1).

Additionally, land and constructions thereon of a subsidiary in the consolidated financial information with the net book value of Baht 9.60 million (31 December 2017: Baht 10.15 million) were pledged as collaterals for securing that subsidiary's credit facilities (Note 17.1).

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

13 Intangible assets, net

	Consolidated financial statements		
	Computer software Baht	Assets under installation Baht	Total Baht
As at 1 January 2017			
Cost	8,286,255	-	8,286,255
<u>Less</u> Accumulated amortisation	(3,790,421)	-	(3,790,421)
Net book amount	4,495,834	-	4,495,834
For the year ended 31 December 2017			
Opening net book amount	4,495,834	-	4,495,834
Additions	3,188,927	3,974,735	7,163,662
Write-offs, net	(87,213)	-	(87,213)
Amortisation charges	(1,217,438)	-	(1,217,438)
Transfer in (out)	2,917,500	(2,917,500)	-
Closing net book amount	9,297,610	1,057,235	10,354,845
As at 31 December 2017			
Cost	14,142,682	1,057,235	15,199,917
<u>Less</u> Accumulated amortisation	(4,845,072)	-	(4,845,072)
Net book amount	9,297,610	1,057,235	10,354,845
For the year ended 31 December 2018			
Opening net book amount	9,297,610	1,057,235	10,354,845
Additions	2,536,770	3,645,678	6,182,448
Write-offs, net	(1)	-	(1)
Amortisation charges	(2,856,831)	-	(2,856,831)
Transfer in (out)	1,162,725	(1,162,725)	-
Closing net book amount	10,140,273	3,540,188	13,680,461
As at 31 December 2018			
Cost	17,902,175	3,540,188	21,442,363
<u>Less</u> Accumulated amortisation	(7,761,902)	-	(7,761,902)
Net book amount	10,140,273	3,540,188	13,680,461

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

13 Intangible assets, net (Cont'd)

	Separate financial statements
	Computer software
	Baht
As at 1 January 2017	
Cost	120,178
<u>Less</u> Accumulated amortisation	(5,216)
Net book amount	114,962
For the year ended 31 December 2017	
Opening net book amount	114,962
Additions	1,832,727
Amortisation charges	(179,230)
Closing net book amount	1,768,459
As at 31 December 2017	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(184,446)
Net book amount	1,768,459
For the year ended 31 December 2018	
Opening net book amount	1,768,459
Amortisation charges	(391,519)
Closing net book amount	1,376,940
As at 31 December 2018	
Cost	1,952,905
<u>Less</u> Accumulated amortisation	(575,965)
Net book amount	1,376,940

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

14 Deferred income taxes

Deferred tax assets and liabilities comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets				
Deferred tax assets to be recovered within 12 months	5,272,759	1,460,000	2,431,440	-
Deferred tax assets to be recovered more than 12 months	10,224,933	8,889,447	2,226,113	1,057,010
	<u>15,497,692</u>	<u>10,349,447</u>	<u>4,657,553</u>	<u>1,057,010</u>

The movements of deferred income taxes are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	10,349,447	4,810,736	1,057,010	838,785
Recognised in comprehensive income	(175,048)	-	527,397	-
Recognised in profit (loss) (Note 26)	5,323,293	5,538,711	3,073,146	218,225
As at 31 December	<u>15,497,692</u>	<u>10,349,447</u>	<u>4,657,553</u>	<u>1,057,010</u>

The movements of deferred tax assets are as follows:

	Consolidated financial statements			
	As at 1 January 2018 Baht	Recognised in other comprehensive income Baht	Recognised in profit or loss Baht	As at 31 December 2018 Baht
Deferred tax assets				
Allowance for doubtful accounts	961,873	-	(47,705)	914,168
Employee benefit obligations	4,705,069	(175,048)	1,786,325	6,316,346
Taxable loss carried forward	4,682,505	-	3,584,673	8,267,178
Total	<u>10,349,447</u>	<u>(175,048)</u>	<u>5,323,293</u>	<u>15,497,692</u>

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

14 Deferred income taxes (Cont'd)

The movements of deferred tax assets are as follows (Cont'd)

	Consolidated financial statements			
	As at 1 January 2017 Baht	Recognised in other comprehensive income Baht	Recognised in profit or loss Baht	As at 31 December 2017 Baht
Deferred tax assets				
Allowance for doubtful accounts	783,049	-	178,824	961,873
Employee benefit obligations	4,027,687	-	677,382	4,705,069
Taxable loss carried forward	-	-	4,682,505	4,682,505
Total	4,810,736	-	5,538,711	10,349,447

	Separate financial statements			
	As at 1 January 2018 Baht	Recognised in other comprehensive income Baht	Recognised in profit or loss Baht	As at 31 December 2018 Baht
Deferred tax assets				
Allowance for doubtful accounts	74,232	-	20,869	95,101
Employee benefit obligations	982,778	527,397	633,837	2,144,012
Taxable loss carried forward	-	-	2,418,440	2,418,440
Total	1,057,010	527,397	3,073,146	4,657,553

	Separate financial statements			
	As at 1 January 2017 Baht	Recognised in other comprehensive income Baht	Recognised in profit or loss Baht	As at 31 December 2017 Baht
Deferred tax assets				
Allowance for doubtful accounts	114,387	-	(40,155)	74,232
Employee benefit obligations	724,398	-	258,380	982,778
Total	838,785	-	218,225	1,057,010

Deferred income tax assets are recognised for taxable loss carried forwards only to the extent to which realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 363,848 (2017 : Baht 2,981,147) in respect of taxable losses amounting to Baht 1,819,242 (2017 : Baht 14,905,737) that can be carried forward against future taxable income.

The expiry date of unused taxable losses as at 31 December 2018 and 2017 are as follows:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Expiring in 2020	951,595	951,595
Expiring in 2021	711,115	8,957,082
Expiring in 2022	47,191	4,997,060
Expiring in 2023	109,341	-
	1,819,242	14,905,737

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

15 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Corporate income tax withheld	36,995,501	13,985,224	6,572,378	3,080,434
Receivables from the Revenue Department	785,303	785,303	-	-
Value added tax receivable	3,315,439	3,315,439	-	-
Other advance	43,038,764	-	-	-
	<u>84,135,007</u>	<u>18,085,966</u>	<u>6,572,378</u>	<u>3,080,434</u>

16 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade payables- other parties	315,231,311	223,304,025	5,704,212	11,865,675
- related parties (Note 28.4)	6,253,952	4,382,401	1,941,453	737,682
Accrued expenses	121,490,757	104,829,916	13,959,131	11,206,422
	<u>442,976,020</u>	<u>332,516,342</u>	<u>21,604,796</u>	<u>23,809,779</u>

17 Borrowings

17.1 Long-term loans from a financial institution

Long-term loans from a financial institution as at 31 December comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current portion of long-term loans from a financial institution	1,875,996	6,620,250	-	-
Non-current portion of long-term loans from a financial institution	-	1,832,454	-	-
Total	<u>1,875,996</u>	<u>8,452,704</u>	<u>-</u>	<u>-</u>

Movements of long-term loans from a financial institution for the year ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	8,452,704	16,912,138	-	-
Repayments during the year	(6,576,708)	(8,459,434)	-	-
As at 31 December	<u>1,875,996</u>	<u>8,452,704</u>	<u>-</u>	<u>-</u>

Long-term loans from a financial institution have floating interest rate, so fair value of loans approximates the carrying value.

17 Borrowings (Cont'd)

17.1 Long-term loans from a financial institution (Cont'd)

Movement of long-term loans for the year ended 31 December 2018 and 2017 are as follows:

	Principal	Objective	Outstanding Balance as at 31 December		Interest rate (%)	Repayment terms	
			2018 Baht	2017 Baht		Principal repayment	Interest repayment
Loan 1	3,000,000	General purpose	546,531	1,221,565	MLR	60 periods (every month)	Monthly
Loan 2	13,000,000	Investing in Warehouse and increasing liquidity	1,329,465	4,324,139	Year 1-2: MLR-1 Year 3: MLR	60 periods (every month)	Monthly
Loan 3	15,000,000	Investing and expanding business and working capital	-	2,907,000	MLR-1	36 periods (every month)	Monthly
			<u>1,875,996</u>	<u>8,452,704</u>			

The credit facilities of Baht 3 million of a subsidiary are secured by the Company's two directors.

The credit facilities of Baht 13 million of another subsidiary are secured by that subsidiary's land and constructions thereon in the consolidated financial information (Note 12) and the Company's two directors.

The credit facilities of Baht 15 million of another subsidiary are secured by the Company's land and building in the consolidated financial information that are presented as investment properties in the separate financial information (Note 11 and 12) and the Company's two directors.

17.2 Finance lease liabilities

Movement of finance lease liabilities during the year 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	30,437,957	24,297,273	14,329,914	6,901,535
<u>Add</u> Increase during the year	11,249,576	13,541,261	-	10,646,118
<u>Less</u> Repayment during the year	(11,781,178)	(9,267,316)	(4,244,635)	(3,742,422)
	29,906,355	28,571,218	10,085,279	13,805,231
<u>Add</u> Future finance charges on finance leases	1,323,610	1,866,739	568,752	524,683
As at 31 December	<u>31,229,965</u>	<u>30,437,957</u>	<u>10,654,031</u>	<u>14,329,914</u>

Minimum lease payments under finance leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	12,314,539	10,444,939	4,244,634	4,244,634
Later than 1 year but not later than 5 years	20,825,320	22,405,148	7,099,225	11,343,860
	33,139,859	32,850,087	11,343,859	15,588,494
<u>Less</u> Future finance charges on finance leases	(1,909,894)	(2,412,130)	(689,828)	(1,258,580)
Present value of finance lease liabilities	<u>31,229,965</u>	<u>30,437,957</u>	<u>10,654,031</u>	<u>14,329,914</u>
Finance lease liabilities:				
- Current	11,318,900	9,232,119	3,853,313	3,675,882
- Non-current	19,911,065	21,205,838	6,800,718	10,654,032
	<u>31,229,965</u>	<u>30,437,957</u>	<u>10,654,031</u>	<u>14,329,914</u>

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

17 Borrowings (Cont'd)

17.2 Finance lease liabilities (Cont'd)

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	11,318,900	9,232,119	3,853,313	3,675,882
Later than 1 year but not later than 5 years	19,911,065	21,205,838	6,800,718	10,654,032
Total	31,229,965	30,437,957	10,654,031	14,329,914

18 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Withholding taxes payable	4,985,847	6,157,676	579,325	584,038
Payables to the Revenue Department	4,873,249	2,618,207	272,196	-
Undue output value added tax	9,560,794	10,044,945	1,347,483	2,077,435
Corporate income tax payable	16,324,587	12,793,438	-	-
Others	3,418,487	3,507,550	-	-
	39,162,964	35,121,816	2,199,004	2,661,473

19 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	23,284,427	19,799,486	4,913,892	4,193,923
Current service cost	9,754,944	3,484,941	3,169,183	719,969
Paid during the year	(582,400)	-	-	-
Actuarial (gain)/loss on re-measurement	(875,241)	-	2,636,984	-
As at 31 December	31,581,730	23,284,427	10,720,059	4,913,892

The principal actuarial assumptions used as at the date of consolidated and separate statements of financial position are as follows:

	2018	2017
Discount rate (%)	1.76% - 4.38%	3.10%
Salary increment rate (%)	7.00%	7.00%
Staff turnover rates		
- Age less than 30	20.00%	20.00%
- Age between 30 to less than 40	15.00%	12.00%
- Age between 40 to less than 55	9.00%	7.00%
- Age 55 or above	0.00%	0.00%

19 Employee benefit obligations (Cont'd)

Sensitivity analysis

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate (%)	1.00%	Decreased by 12.00%	Increased by 14.00%
Salary increment rate (%)	1.00%	Increased by 14.00%	Decreased by 12.00%
Staff turnover rate (%)	20.00%	Decreased by 13.00%	Decreased by 16.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation, the same method has been applied as when calculating the pension liability recognised within the statement of financial position which is the projected unit credit method.

There were no changes in method and assumptions used for sensitivity analysis from previous year.

The weighted average duration of the employee benefit obligations for the consolidated and separate financial statements was 15.4 years (2017 : 16 years).

Expected maturity analysis of undiscounted retirement benefits is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Maturity within				
Less than 1 year	1,204,752	1,181,861	65,000	62,757
Between 1 – 2 years	295,032	2,145,222	-	75,579
Between 2 – 5 years	5,079,781	3,807,993	81,057	112,207
Over 5 years	137,292,086	71,634,148	34,561,648	11,525,463
	<u>143,871,651</u>	<u>78,769,224</u>	<u>34,707,705</u>	<u>11,776,006</u>

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

20 Share capital

Movements in share capital are as follows:

	Authorised shares		Issue and paid – up shares		Share premium, net	Total
	Number of shares	Baht	Number of shares	Baht	Baht	Baht
At 1 January 2017	2,150,000	215,000,000	2,150,000	215,000,000	-	215,000,000
Share split 1:200	430,000,000	215,000,000	430,000,000	215,000,000	-	215,000,000
Issue of shares during the year	185,000,000	92,500,000	174,500,000	87,250,000	707,350,000	794,600,000
Share issuing cost	-	-	-	-	(19,384,106)	(19,384,106)
At 31 December 2017	615,000,000	307,500,000	604,500,000	302,250,000	687,965,894	990,215,894
Issue of shares during the year	-	-	-	-	-	-
At 31 December 2018	615,000,000	307,500,000	604,500,000	302,250,000	687,965,894	990,215,894

The Extraordinary Meeting of Shareholders No. 1/2560 on 15 March 2017 approved the following matters.

The decrease of par value of the ordinary shares from Baht 100 per share to Baht 0.50 per share, resulting in the increase in the number of ordinary shares from 2,150,000 shares to 430,000,000 shares. The paid-up share capital increased from 2,150,000 shares to 430,000,000 shares. The Company registered this change to the Ministry of Commerce on 21 March 2017.

The increase of Baht 5 million in the Company's share capital from Baht 215 million to Baht 220 million by increasing the number of ordinary shares by 10,000,000 shares from 430,000,000 shares to 440,000,000 shares for allocation to the existing shareholders at their current shareholding proportion. The Company registered the increase in share capital to the Ministry of Commerce on 21 March 2017 and received share subscription in full on 28 April 2017.

The increase of Baht 80 million in the registered share capital from Baht 220 million to Baht 300 million by increasing the number of ordinary shares by 160,000,000 shares from 440,000,000 shares to 600,000,000 shares for the initial public offering. The Company registered the increase in share capital to the Ministry of Commerce on 21 March 2017.

The increase of Baht 7.50 million in the Company's registered share capital from Baht 300 million to Baht 307.50 million, by increasing the ordinary shares by 15,000,000 shares from 600,000,000 shares to 615,000,000 shares, for the launch of Employee Stock Ownership Plan (ESOP), under which the Company planned to issue 4,500,000 ordinary shares and 10,500,000 warrants for sales to eligible directors and employees during the registration of the Company to the Stock Exchange of Thailand. One warrant is convertible to one ordinary share. The warrants are non-transferrable. Detailed information of ESOP are subject to amendments as the management considers appropriate ESOP. The resolution from shareholders is required for the launch of the aforementioned ESOP. The Company registered the increase in share capital to the Ministry of Commerce on 21 March 2017.

For the aforementioned increases in ordinary shares of 160,000,000 shares and 4,500,000 shares, totalling 164,500,000 shares, the Company received the share subscription at the IPO price of Baht 4.80 per share, being the value at par of Baht 82,250,000 and share premium of Baht 707,350,000. Shares issuance costs directly related to the newly issued shares of Baht 19,384,106 were presented net off share premium. The Company has fully received the share subscription including share premium and also registered the increases in issued and paid-up share capital to the Ministry of Commerce on 29 August 2017.

As at 31 December 2018, the share premium, net, presented in the statement of financial position was Baht 687,965,894.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

21 Dividends paid

The Annual General Meeting of Shareholders of 2018 on 24 April 2018, approved the dividend payment at the rate of Baht 0.11 per share for the fiscal year ended 31 December 2017 for 604,500,000 ordinary shares, totalling Baht 66,495,000. The dividend was paid to the shareholders on 24 May 2018.

22 Legal reserve

Under the Public Limited Company Act, B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after accumulated deficits (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

23 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Rental income	308,270	282,122	-	-
Interest income	6,198,518	2,645,064	10,015,291	4,362,469
Management fee	4,631,000	-	42,590,000	27,460,000
Gains on disposals of equipment	3,999,576	174,854	-	-
Gain from returned investment from dissolution of a subsidiary	-	-	553,844	-
Compensation revenue	-	3,393,798	-	-
Others	3,311,337	8,988,528	1,361,219	1,972,116
	<u>18,448,701</u>	<u>15,484,366</u>	<u>54,520,354</u>	<u>33,794,585</u>

24 Finance costs

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest expense on:				
- Loans from financial institutions	364,918	2,556,858	-	-
- Finance lease liabilities	1,323,610	1,866,739	568,752	524,683
- Loans from directors	-	147,945	-	147,945
- Others	174,971	990,295	-	-
	<u>1,863,499</u>	<u>5,561,837</u>	<u>568,752</u>	<u>672,628</u>

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

25 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Employee benefit expenses	392,922,253	303,800,613	51,113,025	41,639,288
Depreciation and amortisation	48,109,897	40,351,988	8,776,431	6,417,148
Losses on disposals of assets	444,356	154,632	16,416	-
Doubtful account expense	(154,145)	(2,472,643)	104,348	(200,777)
Share-based payments	1,330,000	444,548	1,330,000	444,548
Operating lease expenses	99,141,234	81,028,077	518,414	407,072
Utility expenses	50,028,100	54,159,691	8,536,467	8,388,078
Professional and other fees	63,384,821	83,113,983	20,147,789	18,409,344
Repair and maintenance expenses	10,273,293	8,629,549	698,331	930,803

26 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current tax on profit for the year	23,733,000	31,792,024	-	-
Deferred taxes (Note 14)	(5,323,293)	(5,538,711)	(3,073,146)	(218,225)
	<u>18,409,707</u>	<u>26,253,313</u>	<u>(3,073,146)</u>	<u>(218,225)</u>

Income taxes disclosed in statement of income were calculated from taxable income at tax rate of 20% for the Company and 17% or 20% for the subsidiaries.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit before income tax	169,086,815	155,890,431	106,268,241	215,814,334
Tax calculated at a tax rate of 17% or 20% (2017 : 17% or 20%)	32,880,949	35,386,372	21,253,649	43,162,867
Tax effects of:				
Share of profit from investments in subsidiaries and joint ventures	(6,612,491)	(3,335,613)	-	-
Revenues exempted from income tax	(2,350,077)	(1,153,100)	(19,345,364)	(42,476,582)
Expenses additionally deductible for tax purpose	-	(1,389,761)	(1,442,509)	(1,269,454)
Non-tax deductible expenses	1,316,574	2,284,126	710,737	583,169
Utilisation of prior period's tax loss for which deferred tax asset had not been recognised	(1,831,219)	-	(1,831,219)	-
Current period's tax loss for which deferred tax asset had not been recognised	-	(5,538,711)	-	(218,225)
Prior period's tax loss for which recognised deferred tax asset in this year	(4,994,029)	-	(2,418,440)	-
Income tax expense	<u>18,409,707</u>	<u>26,253,313</u>	<u>(3,073,146)</u>	<u>(218,225)</u>

27 Earnings per share

27.1) Basic earnings (loss) per share

On 21 March 2017, the Company decreased the par value of ordinary shares from Baht 100 per share to Baht 0.50 per share, resulting in the increase in the number of issued and paid-up ordinary shares from 2,150,000 shares to 430,000,000 shares (Note 20). The Company used the number of ordinary shares after the share split in calculating the basic earnings (loss) per share for all reported periods.

Basic earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Net profit attributable to owners of the parent (Baht)	150,677,108	129,637,118	109,341,387	216,032,559
Weighted average number of ordinary shares in issue before the share split (shares)	604,500,000	2,150,000	604,500,000	2,150,000
Add Increase in number of shares from split of ordinary shares during the period (shares)	-	427,850,000	-	427,850,000
Add weighted average number of shares issued in the period (shares)	-	63,130,137	-	63,130,137
Total number of ordinary shares for basic earnings per share calculation (shares)	604,500,000	493,130,137	604,500,000	493,130,137
Basic earnings per share (Baht per share)	0.2493	0.2629	0.1809	0.4381

27.2) Diluted earnings (loss) per share

On 29 August 2017, the Company issued 10,500,000 warrants. The vesting period of the warrants is within 3 years from the issuance date.

Diluted earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders by the number of ordinary shares for basic earnings per share calculation plus the weighted average number of shares to be issued as if warrants were exercised.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Net profit attributable to owners of the parent (Baht)	150,677,108	129,637,118	109,341,387	216,032,559
Total number of ordinary shares for basic earnings per share calculation (shares)	604,500,000	493,130,137	604,500,000	493,130,137
Add weighted average number of shares to be issued as if warrants were exercised (shares)	2,182,355	1,577,145	2,182,355	1,577,145
Number of ordinary shares for diluted earnings per share calculation (shares)	606,682,355	494,707,282	606,682,355	494,707,282
Diluted earnings per share (Baht per share)	0.2484	0.2620	0.1802	0.4367

28 Related party transactions

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

The Company is controlled by 2 directors whose aggregate shareholding was 35.83% (2017 : 40.55%)

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

The following transactions were carried out with related parties:

28.1 Service income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Service income				
Subsidiaries	-	-	5,533,251	4,283,496
Associates	117,626,824	123,281,564	5,638,114	8,065,170
Joint ventures	4,104,144	4,589,720	491,590	248,217
	<u>121,730,968</u>	<u>127,871,284</u>	<u>11,662,955</u>	<u>12,596,883</u>

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Rental income and related services:				
Subsidiaries	-	-	8,674,799	8,556,779
Associates	6,253,812	6,108,875	6,253,812	6,108,875
Joint ventures	-	9,600	-	9,600
	<u>6,253,812</u>	<u>6,118,475</u>	<u>14,928,611</u>	<u>14,675,254</u>

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Management fee:				
Subsidiaries	-	-	42,590,000	27,460,000
Joint ventures	2,436,000	-	-	-
	<u>2,436,000</u>	<u>-</u>	<u>42,590,000</u>	<u>27,460,000</u>

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Dividend income from:				
Subsidiaries	-	-	84,189,238	200,289,000
Associates	-	-	7,250,000	12,101,691
Joint ventures	-	-	5,287,590	-
	<u>-</u>	<u>-</u>	<u>96,726,828</u>	<u>212,390,691</u>

28 Related party transactions (Cont'd)

28.2 Purchases of services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Purchases of services from:				
Subsidiaries	-	-	5,488,259	5,495,594
Associates	26,519,840	20,324,426	10,549,447	1,176,781
Joint ventures	55,654,919	50,187,359	-	-
	<u>82,174,759</u>	<u>70,511,785</u>	<u>16,037,706</u>	<u>6,672,375</u>

28.3 Purchases of assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Purchases of assets from:				
Associates	-	26,107,190	-	-
	<u>-</u>	<u>26,107,190</u>	<u>-</u>	<u>-</u>

28.4 Outstanding balances from service income and purchase of services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables - related parties				
Subsidiaries	-	-	14,398,863	28,045,869
Associates	15,879,372	14,480,512	956,823	995,905
Joint ventures	3,046,757	362,374	644,044	202,569
	<u>18,926,129</u>	<u>14,842,886</u>	<u>15,999,730</u>	<u>29,244,343</u>
Trade payables - related parties				
Subsidiaries	-	-	832,823	734,688
Associates	2,350,287	1,233,863	1,108,630	2,994
Joint ventures	3,903,665	3,148,538	-	-
	<u>6,253,952</u>	<u>4,382,401</u>	<u>1,941,453</u>	<u>737,682</u>

28 Related party transactions (Cont'd)

28.5 Dividends receivable

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Dividends receivable				
Subsidiaries	-	-	34,386,430	32,498,220
Joint ventures	1,499,950	-	-	-
	<u>1,499,950</u>	<u>-</u>	<u>34,386,430</u>	<u>32,498,220</u>

28.6 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Subsidiaries	-	-	320,316,300	306,390,800
Associates	2,250,000	2,250,000	2,250,000	2,250,000
	<u>2,250,000</u>	<u>2,250,000</u>	<u>322,566,300</u>	<u>308,640,800</u>

Short-term loans to associates bear interest rates of 1.50% - 6.25% per annum (2017 : 1.50% - 6.25% per annum) and are repayable at call.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	2,250,000	1,400,000	308,640,800	50,290,800
Additions during the year	-	3,750,000	92,600,000	271,750,000
Repayments during the year	-	(2,900,000)	(78,674,500)	(13,400,000)
As at 31 December	<u>2,250,000</u>	<u>2,250,000</u>	<u>322,566,300</u>	<u>308,640,800</u>

28.7 Key management compensation

Key management includes directors and executive management (regardless of whether they are in the managerial level or not), top management, corporate secretary, and internal audit department head. Compensation paid or payable to key management is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Salaries and other short-term benefits	59,465,789	67,567,344	25,827,945	21,058,109
Retirement benefits	2,020,361	1,427,445	1,216,488	662,673
Share-based payments	1,330,000	444,548	1,330,000	444,548
	<u>62,816,150</u>	<u>69,439,337</u>	<u>28,374,433</u>	<u>22,165,330</u>

29 Segment information

Segment information is reported by segment and this was reviewed by the chief operating decision-maker, which is the Board of Directors. Similar segments are reported together. The chief operating decision-maker measures the financial performance of each segment using the gross profit margin. Reported segments comprise air freight, sea and in-land freight, logistics management, chemical and hazardous goods logistics management, and other management services.

Air freight	Operates as an air freight forwarder, both local and overseas, for airlines, and provides related services, including warehouse management services at airports.
Sea and in-land freight	Operates as a sea and in-land freight forwarder, both local and overseas.
Logistics management	Provides warehouse management and logistics services, both air and sea, and both local and overseas.
Chemical and hazardous goods logistics	Operates as a freight forwarder both local and overseas and provides warehouse management and logistics services for chemical goods including goods in the chemical industry.
Other management services	Provides office rental and other management services.

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

29 Segment information (Cont'd)

	Consolidated financial statements (Baht)					
	For the year ended 31 December 2018					
	Air freight	Sea and in-land freight	Logistics management	Hazardous goods logistics	Other management services	Total before elimination
						Elimination
						Total after elimination
Revenue from sales and service	2,279,625,244	116,640,002	134,975,237	561,866,163	15,137,312	3,108,243,958
Costs of sales and service	(2,029,682,934)	(44,916,610)	(98,922,146)	(429,012,133)	(10,376,051)	(2,612,909,874)
Segment profit	249,942,310	71,723,392	36,053,091	132,854,030	4,761,261	495,334,084
Other income						(10,725,277)
Selling expenses						484,608,807
Administrative expenses						18,448,701
Loss on exchange rates, net						(77,171,225)
Finance costs						(294,984,867)
Share of profits from associates and joint ventures						6,986,442
						(1,863,499)
						33,062,456
Profit before income tax expense						169,086,815
Income tax expense						(18,409,707)
Profit for the year						150,677,108
Segment assets						1,899,518,880
Segment liabilities						697,603,229

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

29 Segment information (Cont'd)

	Consolidated financial statements (Baht)					
	For the year ended 31 December 2017					
	Air freight	Sea and in-land freight	Logistics management	Chemical and Hazardous goods logistics	Other management services	Total before elimination
						Elimination
						Total after elimination
Revenue from sales and service	1,863,929,525	86,960,366	105,438,544	539,724,413	14,767,899	2,610,820,747
Costs of sales and service	(1,543,224,015)	(48,428,811)	(68,321,671)	(397,627,568)	(9,885,377)	(2,067,487,442)
Segment profit	320,705,510	38,531,555	37,116,873	142,096,845	4,882,522	543,333,305
Other income						(11,892,552)
Selling expenses						531,440,753
Administrative expenses						15,484,364
Loss on exchange rates, net						(110,916,019)
Finance costs						(281,048,178)
Share of profits from associates and joint ventures						(10,186,717)
						(5,561,837)
						16,678,065
Profit before income tax expense						155,890,431
Income tax expense						(26,253,313)
Profit for the year						129,637,118
Segment assets						1,555,601,181
Segment liabilities						440,608,635

Considering geographical segments, the Group had aggregate revenues overseas from companies incorporated in Japan and Singapore, amounting to Baht 51.16 million and Baht 636.00 million, respectively. (2017 : aggregate revenues overseas from companies incorporated in Japan and Singapore amounting to Baht 27.06 million and Baht 475.38 million, respectively.)

Main Group customer

In 2018, the Group had no revenue with a single external customer that amounts to 10% or more of the Group's revenue. Therefore, the Group does not present the information about main customer (2017 : the Group has revenue from one main customer amounting to Baht 237.22 million which was more than 10% of the Group's total revenues which is included in the air freight business segment).

Triple i Logistics Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

30 Share-based payment

On 29 August 2017, the Company issued 10,500,000 warrants, the vesting period of which is 3 years. This resulted in share-based payment of Baht 3,990,000 which was referenced to the fair value of warrants. Share-based payment is to be recognised over the vesting period.

As at 31 December 2018, outstanding share options were 10,500,000 warrants (2017: 10,500,000 warrants) which will be expired in 2020.

During the year ended 31 December 2018, the Company recognised the share-based payment expense of Baht 1,330,000 (2017: Baht 444,548).

The weighted average fair value of options granted during the period determined using the black-scholes valuation model was Baht 4.02 per option (2017: Baht 4.02 per option). The significant inputs into the model were a weighted average share price of Baht 4.80 (2017: Baht 4.80) at the grant date, exercise price shown above, volatility of 13.83% (2017: 13.83%), dividend yield of 2.30% (2017: 2.30 %), an expected option life of 3 years, and an annual risk-free interest rate of 1.55% (2017: 1.55%).

31 Commitments

31.1 Bank guarantees

The Company has bank guarantees as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Guarantee for air services	99,691,840	83,409,640	26,243,640	50,409,640
Guarantee for air freight	57,576,280	50,124,810	21,220,000	34,483,310
Guarantee for damage of TANK, liabilities from ports	8,900,000	5,550,000	100,000	2,350,000
Right to operate warehouse business at Don Muang Airport	25,487,840	25,387,840	-	-
Guarantees for electricity, fuel for vehicles and other expenses at Port Authorities of Thailand	1,814,328	1,186,000	448,000	548,000
Guarantee for damage of goods	300,000	300,000	-	-
Guarantee for warehouse rental	-	666,000	-	666,000
	193,070,288	166,624,290	48,011,640	88,456,950

31.2 Foreign exchange forward contracts

Foreign exchange forward contracts hedge risks from fluctuation in foreign exchange rates.

As at 31 December 2018 and 2017, the settlement period on open forward contracts is within 1 year.

Fair values of derivative instruments that the Group does not recognise in the statement of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Foreign exchange forward contracts - asset (liabilities)	(1,000,941)	(53,079)	(160,964)	-

Fair values of foreign exchange forward contracts are determined based on the rates specified by the financial institutions, taking into account the market conditions at the date of statement of financial position, and are categorised in the level 2 of the fair value hierarchy.

31 Commitments

31.3 Operating lease commitments

As at 31 December 2018 and 2017, the Group and the Company have entered into several operating lease agreements in respect of the lease of office equipment and motor vehicles. The terms of the agreements are generally between 1 and 5 years and have future minimum payments under these non-cancellable operating leases agreements and related service agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
- Within 1 year	23,395,526	29,395,023	1,471,192	2,144,056
- Later than 1 year but not later than 5 years	52,054,805	19,263,658	741,000	3,867,592
	<u>75,450,331</u>	<u>48,658,681</u>	<u>2,212,192</u>	<u>6,011,648</u>

31.4 Contingent liabilities from airline appointment contract

The Group entered into a contract that appointed airline for air freight service and other related services for shipping goods with Thai AirAsia Company Limited on 31 December 2015. Such contract requires minimum revenue per year from service of the Group through the airline. If the Group could not meet such requirement, the Group is obliged to compensate for part of revenue that did not reach the minimum requirement to the airline.

32 Events after the reporting period

Paid up investment in joint venture

As disclosed in Note 11.2, the Company has contingent under the Share Sale and Purchase Agreement for Tranch 2 of investment in joint venture amount of SGD 2.00 million. On 18 February 2019, the Company paid SGD 2.00 million to the seller.

Dividend payment

The Board of Directors' Meeting No. 3/2562 on 26 February 2019 approved a proposal to Annual Shareholders' meeting for the year 2019, to consider dividend payment from operating result of 2018 to shareholders of 604,500,000 ordinary shares at Baht 0.17 per share, totalling to Baht 102,765,000.

Dividend payment of joint ventures

The Extraordinary Shareholders' Meeting on 16 January 2019 of DG Packaging Pte. Ltd., the Group's joint venture in Singapore, approved the interim dividend payment to the shareholders of 2.25 Singapore Dollars per share for 200,000 shares, totalling 450,000 Singapore Dollars, which approximately of Baht 10.52 million. The Group received the dividends of 225,000 Singapore Dollars or approximately of Baht 5.19 million on 23 January 2019.

Incorporation of a new associate

The Board of Directors' Meeting No.7/2018 on 18 December 2018 approved the incorporation of a company namely JPK Asia (Thailand) Co., Ltd. (New Associate), which will have its registered share capital of Baht 5 million. The business operation are to carry out the cargo general sale agent business for the new airlines planning to start their operation in Thailand. The Company will invest in 34% of the registered share capital of the new associate. The new associate registered the incorporation of new joint venture with the ministry of commerce on 5 February 2019.



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